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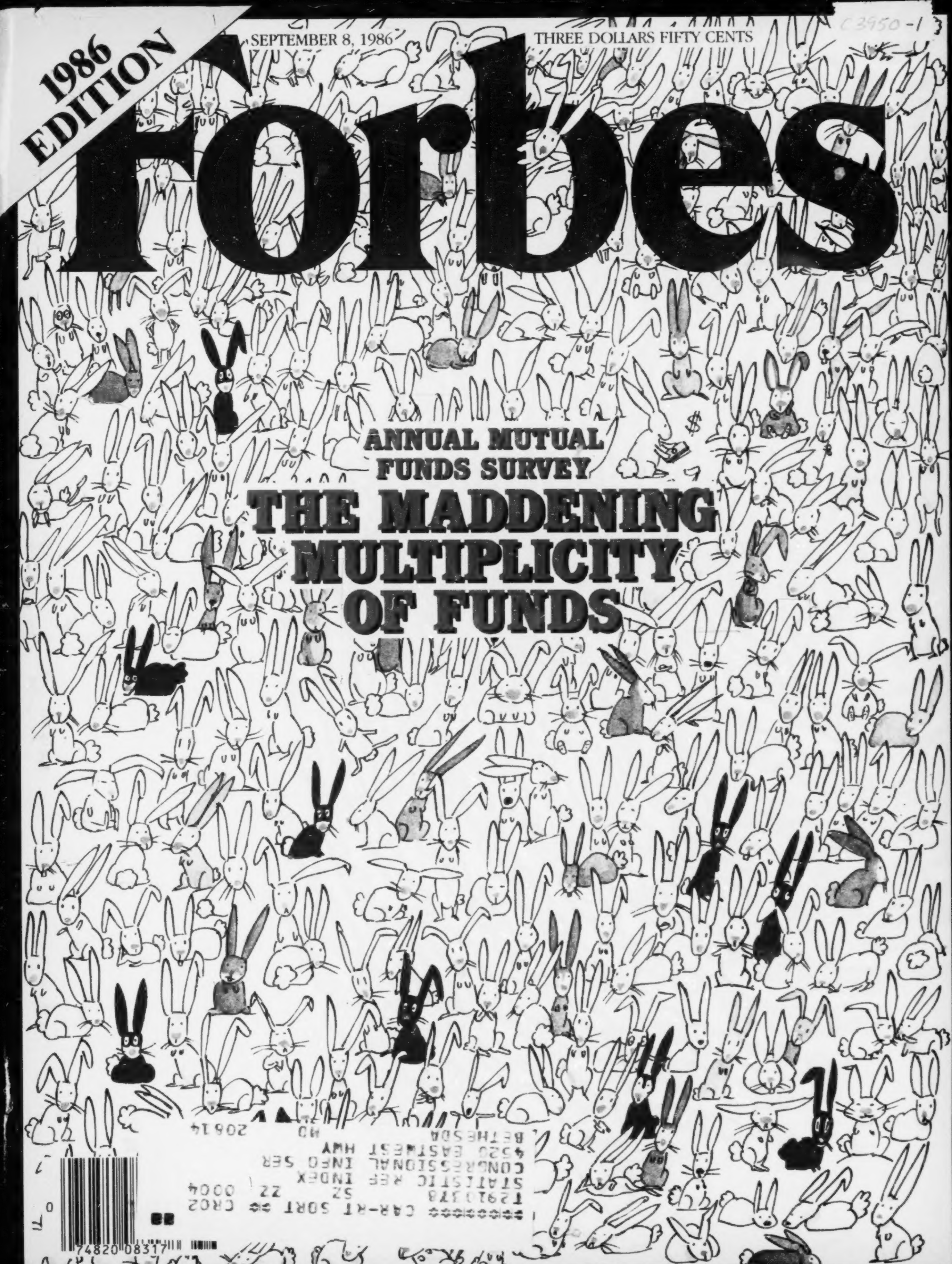

ANNUAL MUTUAL FUNDS SURVEY

THE MADDENING MULTIPLICITY OF FUNDS

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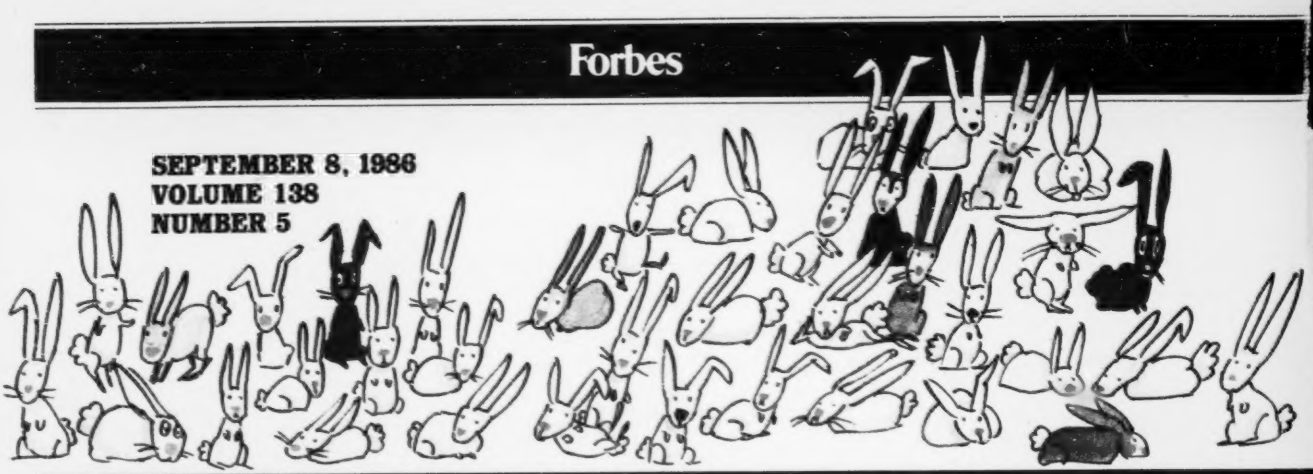

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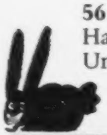

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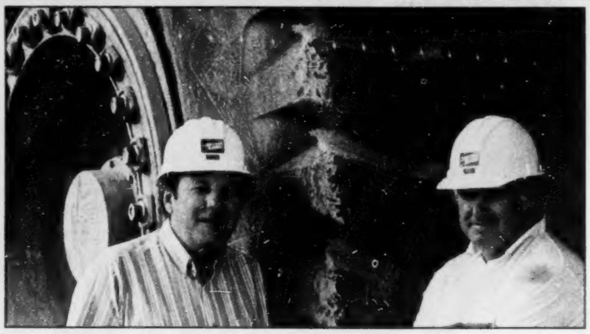

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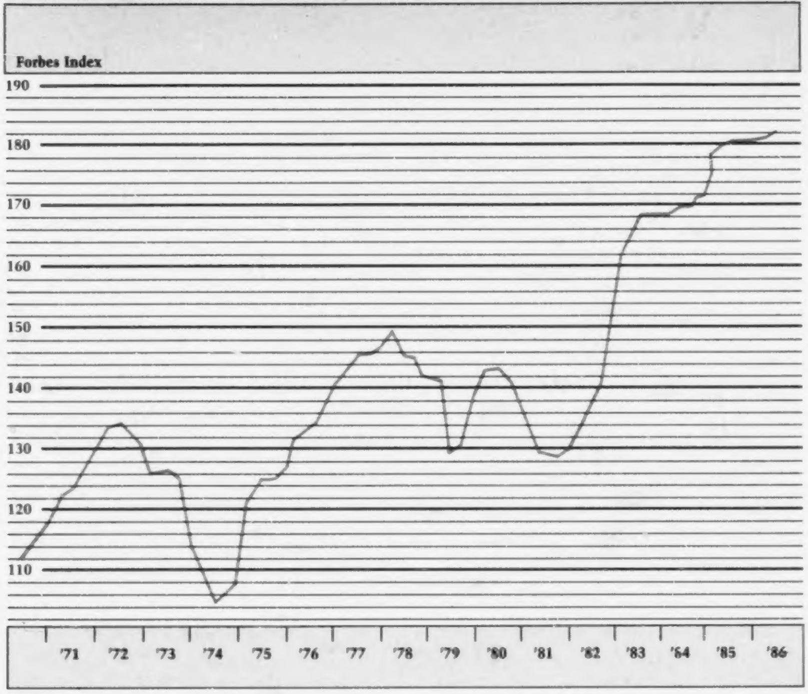
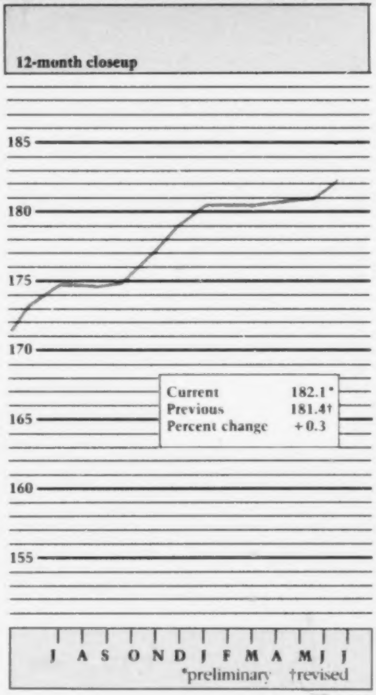
The Forbes Index





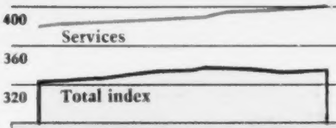
Slow factories. Although the Fed has brought down the discount rate from 7.5% in July 1985 to 6% at present, manufacturing remains weak. After a third straight month-to-month decline, the level of industrial production is back where it was 12 months ago.

The Forbes Index climbed 0.3% during the latest reporting period, thanks to rises in retail sales and consumer borrowing. Retail sales eked out a 0.1% gain during July despite a sharp drop-off in auto sales. Consumer installment credit rose 1.2% from May to June, the largest month-to-month jump since January. The pending tax reform bill, however, will disallow deductions for interest on credit cards and auto loans but not mortgage interest. This could cause consumers to curtail credit card use.

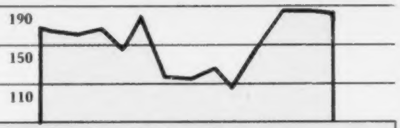
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

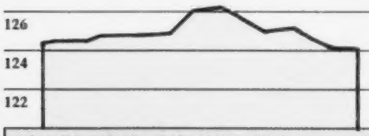
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



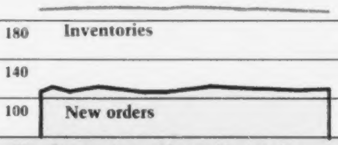
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



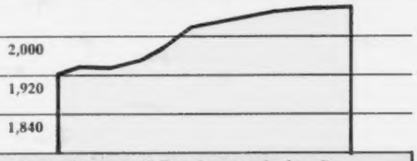
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



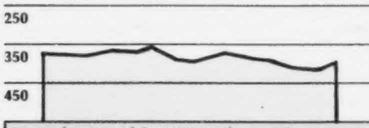
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



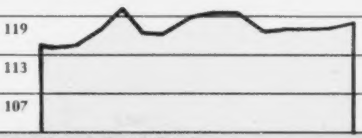
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



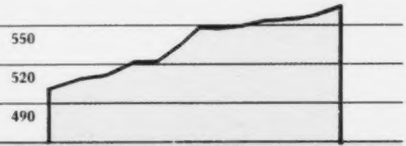
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

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1986 Annual Mutual Funds Survey

Since the 1982 bull market began, a riot of mutual funds has been loosed on investors. FORBES helps you make sense of the melee.

Out of proliferation, confusion

By Laura Saunders

AMERICANS HAVE DISCOVERED mutual funds—the small investor and the more substantial one as well. In the last 12 months to June 30, the number of equity and bond funds has jumped 31%, to 1,199. Fidelity Investments, the Baskin-Robbins of fund selling, has 108 portfolios.

"The specific, the regional and the foreign have really taken off. It looks like we could have a fund-a-day year," says Deborah Patterson, who has lately been staying up nights in order to keep track of SEC filings for the *Mutual Fund Monitor.*

How is the poor investor to make sense of it all? FORBES has been rating equity mutual funds since 1956, using a formula that rewards consistency of results. Consistency? Yes. Most surveys use a straight-line method that rewards funds with a single spectacular performance, whereas we seek out those that do well year after year and in varied markets. Remember this: Last year's results are a poor predictor of this year's, but good performance over a long time does have a certain predictive value for the future. In the tables beginning on page 112, FORBES lists 1,339 stock, bond and money market funds and assigns consistency ratings to the 316 equity funds in existence long enough to be measurable. This year, for the first time, we rate taxable bond funds, using a similar yardstick. Features on the fund business follow the tables.

Read the survey carefully if you are a fund investor or considering becoming one. The choices before you are overwhelming. Available or in the works are a junk bond fund for nonresident aliens; a fund for employees of religious groups and cemetery companies; a Germany fund, a France fund, an Italy fund, two Australia funds and two Scandinavia funds. A fund for Muslims; a fund that buys only shares of companies in Ohio; and a fund that lets you exchange your shares in South African precious metals firms for fund shares invested in non-South African precious metals firms.

The fund industry, responding to investor demand, has created a product to meet every conceivable investor need, and a few besides. In the first six months of this year investors dumped $75 billion more into stock and bond funds than they withdrew. That's only $5 billion shy of the total for all of last year, and triple the amount invested in all of 1984. Business is so good that Fidelity, the king of fund marketing, in the past few years has begun levying loads of 2% or 3% on its popular equity funds.

Newcomers to the mutual fund business include veteran money men like Mario Gabelli; Fred Alger, a former star jumping back into the business while running numerous TV ads promoting his firm's image; and banks like Chemical and Security Pacific. Banks can't sponsor or sell funds directly, but can manage portfolios and supply lists of depositors to fund marketers. Pension fund managers, such as Dimensional Fund Advisors in Chicago, and Miller, Anderson & Sherrerd in Bala Cynwyd, Pa., are using in-house funds to run institutional money. (FORBES doesn't catalog funds, like these, not open to the general public.) For all, "The barriers to entry are few, relative to sponsors' dreams about how much money they can make," says Michael Lipper, whose Lipper Analytical Services sells fund-rating data to the funds themselves.

For established fund families like Fidelity, Vanguard and T. Rowe Price—much as for tobacco or cereal companies—more brands mean more chances to snare investor dollars. "If it costs $100 to put an investor on the books and he puts only $1,000 in a growth fund, it takes too long to break even. You've got to get his money market and bond fund money, too," says Stanley Egener, president of Neuberger & Berman Management, of Partners Fund and Guardian Mutual Fund fame.

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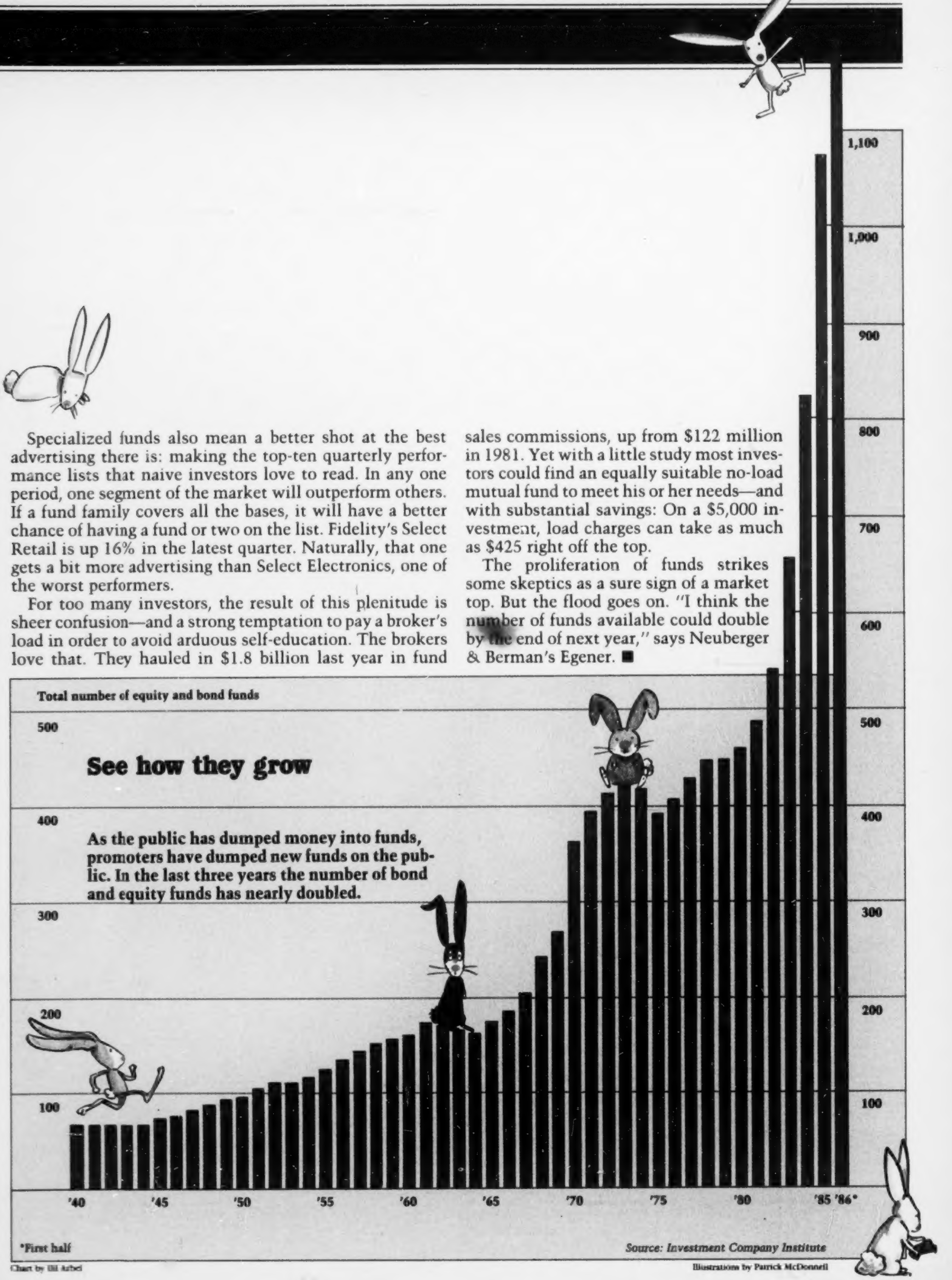
Specialized funds also mean a better shot at the best advertising there is: making the top-ten quarterly performance lists that naive investors love to read. In any one period, one segment of the market will outperform others. If a fund family covers all the bases, it will have a better chance of having a fund or two on the list. Fidelity's Select Retail is up 16% in the latest quarter. Naturally, that one gets a bit more advertising than Select Electronics, one of the worst performers.

For too many investors, the result of this plenitude is sheer confusion—and a strong temptation to pay a broker's load in order to avoid arduous self-education. The brokers love that. They hauled in $1.8 billion last year in fund sales commissions, up from $122 million in 1981. Yet with a little study most investors could find an equally suitable no-load mutual fund to meet his or her needs—and with substantial savings: On a $5,000 investment, load charges can take as much as $425 right off the top.

The proliferation of funds strikes some skeptics as a sure sign of a market top. But the flood goes on. "I think the number of funds available could double by the end of next year," says Neuberger & Berman's Egener. ■



See how they grow

As the public has dumped money into funds, promoters have dumped new funds on the public. In the last three years the number of bond and equity funds has nearly doubled.

*First half

Source: Investment Company Institute

Chart by [illegible]

Illustrations by Patrick McDonnell

You'll be tempted to sign up for the fund with the hottest record. Stop, take a deep breath and sign instead for consistency.

Buyer's guide

By Laura R. Walbert

WE'VE SAID IT BEFORE. We'll say it again: Last year's results are a very poor predictor of this year's. Indeed, if the market was up strongly in the previous year and now heads down, then you can bet that last year's winners will be this year's losers.

What is one to do? Forget the hot-performer list. Look for a fund that has a history of doing respectably well in both bull and bear markets. In the FORBES rating system, that means a fund that gets a B or better in up markets and a B or better in down markets.

Consistency is everything. During a bull market like this one, with the Standard & Poor's 500 up 35.8% during the 12 months ended June 30, plenty of funds can post enticing gains. But too often investors jump into those fastest-rising funds just as the market—and the fund—is running out of steam.

Likewise, after a painful bear market, too many investors cling to the most conservative funds, at exactly the wrong time. Since no one can predict market swings with acceptable regularity—and we mean no one—an investor needs a fund that performs well in fair weather and in foul.

It's a matter of simple arithmetic. Suppose a fair-weather fund is up 50% during the bull market and loses—being probably highly volatile—35% when the market falters. Someone who had invested $10,000 with such a fund would be left with $9,750 after these two swings, a $250 loss despite the fund's early success.

Now suppose, instead, you put your money with a more steady performer. During the bull market period this fund earns only 25%, but it falls only 10% when the market drops. Your $10,000 investment would be worth $11,250. By going for consistency rather than for hot performance, you're $1,500 ahead of the other fellow.

The ability to capitalize on a market upswing and preserve capital during a market downswing is what the FORBES rating system measures. We grade funds separately on how well they do in bull markets and how well they do in bear markets.

Our formula is fairly complicated, but the essence of it is that, long run, you will be ahead if you pick a fund that performs tolerably well in both up and down markets rather than one that does spectacularly in bull markets.

Our grading is on a curve. If all funds did worse than the averages during one leg of a bear market, the least bad can still earn an A. Balanced funds, which invest in both bonds and stocks, are rated on their own grading curve, beginning on page 146. The ratings cover the 9¾ years from Sept. 30, 1976 to June 30, 1986 and include three up-and-down market cycles *(see chart, p. 112).*

Through the back door

If you call up the Pennsylvania Mutual or Explorer funds and ask about buying shares, you'll be told to get lost. Politely, of course. These consistently superior funds—and nearly two dozen more—don't want any more shareholders right now. At Loomis-Sayles Capital Development there's a six-month wait. Can an outsider buy them anyhow? Yes—but.

Mutual fund shares can generally be transferred just like other securities. All it takes is a buyer and a seller and perhaps a broker to bring them together. Indeed, in the late 1960s and into the 1970s more than two dozen mutual funds were traded over-the-counter. They were open-end funds because the fund manager would redeem shares at net asset value. But they wouldn't sell new shares. New investors, if they could get in at all, could do so only by buying out an existing shareholder—at a premium, if the fund was hot.

The T. Rowe Price New Horizons Fund, for example, traded over-the-counter at hefty premiums in the growth-stock bull market of the late 1960s. Quite an irony, considering how poorly the fund performed when the crash came in 1973.

Today the secondary market in shares of mutual funds that have closed their doors has all but vanished. The funds themselves now frown on the practice. It's fine if you give shares to your granddaughter, but you will have to do a bit of explaining if they think you're selling them at a premium. "We just would not approve it," says Robert Paczkowski, treasurer of the closed Sequoia Fund, of suspect transfers. They would be acting within their rights, since they can control the transfer of a registration on their own books. Of course, if you're determined, you could probably put shares in a trust in your name and then sell the interest in the trust to someone else.

"We wondered whether some enterprising young broker-dealer would try to make a secondary market," says Jeremy Duffield, senior vice president at Vanguard Group, which has closed three of its funds. "No one has. Maybe it's not worth the effort or the premium price."—**Mark Clifford**

This year, for the first time, we also rate taxable bond funds separately in up and in down markets. The swings in the bond market also cover three market cycles, but with different end-points *(charted on p. 150)*. Take a look at the grades. As with stock funds, there are fair-weather funds and foul-weather funds, but the best choice—the world being as uncertain as it is—would be a bond fund with a reasonable showing under both circumstances. Over the past 9¾ years T. Rowe Price New Income Fund almost always held short-term bonds rather than long-term ones, so it did extremely well when interest rates were rising and poorly when rates were falling. New Income rates an A+ during bear markets. But the same caution left it with an F for up markets.

We tinker with the raw performance numbers to keep an unnaturally good or bad performance in any one period from having too large an effect on a fund's rating. Without this adjustment, gold funds would be spectacular performers, when, in fact, their great showings are ancient history.

Now that you have the ratings in hand, you simply need to choose a fund with the right amount of risk for you. If you're looking for a stock fund and you would willingly suffer some bear market losses in order to enjoy a breathtaking bull market gain, you might look at funds with a bear market rating as low as a C if the fund also boasts a bull market rating of A or A+. Twentieth Century Growth, Weingarten Equity, AMEV Growth and IDS Growth are good examples.

On the other hand, if you're the conservative type, you may want to stick with stock funds that offer an A or A+ rating for down markets and less of a ride during bull markets. If that's the case, Mutual Shares, Source Capital and Fidelity-Equity Income each averaged over 20% a year for the past decade and earned As in down markets.

All performance numbers in the tables beginning on page 112 are stated before sales commissions and taxes. Yet sales loads do eat into an investor's real return. So for the funds on the honor roll *(see p. 110)*, we've calculated a hypothetical investor's earnings since 1976 with taxes and sales loads deducted. Look in the column labeled "Hypothetical investment results." However, all other performance numbers listed in the honor roll table and in the main tables are before taxes and sales loads. "Average annual total return" is the fund's total return for the 9¾ years, on a compound annual basis.

The column "Annual expenses per $100 assets" shows the fund's management fees and operating expenses, expressed per $100 of average net assets. A double dagger (‡) appears if the fund also has authorized a so-called 12b-1 plan, which allows the fund management to dip into shareholders' money to pay for advertising or brokers' commissions. Watch out for these 12b-1s. The 12b-1 expense is incorporated into the annual expense total, but we remind you of it because it's an insidious load that careful shoppers will avoid. Money spent hustling the fund doesn't help your pot grow.

Closed-end funds, which are bought like shares of IBM or GM, have a fixed number of shares that can trade at a premium or a discount to the fund's underlying asset value. For a list of closed-end stock funds, see the beginning of the distributor tables on page 186.

Most funds are open-ended; that is, they sell more shares when more money comes in. Load funds are bought through brokers, no-loads directly from a distributor, usually the fund operator itself. Whether you're calling a distributor or meeting with a broker, ask for the fund's "statement of additional information" along with the prospectus. In those two documents, you'll find all the details about fund fees, performance and management.

Much of our raw data comes from CDA Investment Technologies, a Silver Spring, Md. consultant to money managers. Raw performance data on municipal bond funds come from CDA and Lipper Analytical Services. The yield, or return from income dividends, is based on the June 30, 1986 net asset value and dividends received during the prior 12 months.

We exclude from the survey funds that are closed to the public, such as the Elfun funds for General Electric employees and many funds available only to corporations. We also exclude personal holding companies like Baldwin Securities.

Here, then, is the information the investor will need to choose a mutual fund—or to measure funds he owns against others. Adapting the information to your own circumstances will take a bit of work. But, then, nothing worthwhile comes without effort. ■

Shake the apple tree, but don't cut the limbs

Remember the old wheeze about the two respectable Boston ladies who turned to prostitution rather than dip into their capital? Spending capital may no longer be thought a sin, but it is an almost certain way to go broke. Failing to realize this, tens of thousands of investors confuse yield and total return, and thereby consume their own capital. Here's the story:

A fund may advertise that its return was 23.6% for the past 12 months. Now, no sensible securities yield 23.6%—nor did they even at the height of the Paul Volcker interest rate squeeze. What the fund means is that its income from dividends plus its capital appreciation added up recently to 23.6% of the starting principal amount. But don't confuse this with yield. Most of that 23.6% came from market appreciation—which is neither predictable nor sustainable at that rate; the actual yield from dividends and interest was probably 3% or 4%. Now, let us suppose that in the next 12 months the stock market drops 10% and takes the fund down 10% with it. The fund might still yield 3% in dividends, but it would have a total return of –7%.

You can be sure that fund will not run big advertisements trumpeting: Our return last year was –7%. Nor will it tell you that with inflation at 4%, your return in terms of purchasing power was –11%. A similar problem arises with option funds, as we explain elsewhere in this issue. They have a way of making a return of capital look like yield.

Let's put it this way: Yield is like the apples produced by apple trees, but capital gains—or losses—are the growth or shrinkage of the limbs that produce the apples. Eat the apples, but take it easy on cutting the limbs for firewood. Translated into investment advice: Don't buy a fund just because it promises you a high "return" based on recent performance.—**J.W.M.**

The honor roll

SOME PEOPLE PICK FUNDS THE WAY THEY do horses. They bet on the one that finished first last time out. But buying the fund that was up the most last year is a prescription for trouble. Many a fund that buys high-risk, fast-moving stocks looks brilliant in a bull market but loses its investors huge sums in the inevitable bear market that follows. It is almost axiomatic that people lose more money in hot-performing funds than they gain. Why? Because the hot performance brings in a flood of new money, whereupon—almost inevitably—the hot performance turns cool or cold.

So how does a mutual fund get on the FORBES honor roll? Not by coming in first in any year, but by doing respectably well in all kinds of races, in up as well as down markets. Since one cannot predict the future, one wants a fund that will do well, come what may, not one that will glisten only when the sun shines. Alas, no announcement is made on Wall Street when the market is about to change direction. Thus the FORBES rating system demands that a fund earn a B or better grade in both bull markets and bear markets before it can qualify for the honor roll. It isn't hard at all to win a B in only up or only down markets—Bs go to the top 45% of funds in each group. Earning a B in both kinds of markets, however, is something only the most skilled can do.

Fund/distributor	Performance		Manager (consecutive years as manager)	Net assets 6/30/86 (millions)	Maximum load	Annual expenses per $100 assets
	UP	DOWN				
Acorn Fund/Acorn	B	A	Ralph Wanger (16)	$ 425	none	$0.78
Amcap Fund/American Funds	B	A	Michael Shanahan (1)	1,506	8.50%	0.54
American Capital Pace Fund/American Cap	B	A+	John Roche (1)	2,229	8.50	0.60
American Capital Venture Fund/American Cap	B	A	Robert Meyer (1)	415	8.50	0.68
Claremont Capital Corp/closed end	B	A+	Erik Bergstrom (10)	61	NA	1.06
Evergreen Fund/Lieber	A+	B	Stephen Lieber (15)	714	none	1.08
Fidelity Destiny Portfolio I/Fidelity	B	A	George Vanderheiden (6)	1,166	NA[5]	0.60
Fidelity Magellan Fund/Fidelity	A+	A	Peter Lynch (9)	7,412	3.00	1.08
Growth Fund of America/American Funds	A	A	William Newton (1)	829	8.50	0.69
Janus Fund/Janus	B	A	Thomas Bailey (17)	542	none	1.01‡
Mass Capital Development Fund/Mass Financial	A	B	William Harris (16)	1,035	7.25	0.71
NEL Growth Fund/NEL	A	B	Kenneth Heebner (10)	313	8.00	0.83
Nicholas Fund/Nicholas	B	A+	Albert Nicholas (17)	1,084	none	0.86
Over-the-Counter Securities Fund/Review	B	A	Binkley Shorts (5)	263	8.00	1.25
Partners Fund/Neuberger	B	A	Philip Steckler (11)[6]	431	none	0.93‡
Scudder Development Fund/Scudder	B	B	Edmund Swanberg (15)	359	none	1.30
Shearson Appreciation/Shearson	B	B	Harold Williamson (5)	279	5.00	1.10
Sigma Capital Shares/Sigma	B	B	Richard King (19)	102	8.50	1.01‡
Sigma Venture Shares/Sigma	A	B	Richard King (16)	93	8.50	0.95‡
Tudor Fund/Weiss, Peck	A	B	Melville Strauss (13)	191	none	0.95
Twentieth Century Select Investors/Twentieth Century	A+	B	James E. Stowers (15)	1,987	none	1.01
United Vanguard Fund/Waddell & Reed	B	B	Henry Herrmann (10)	525	8.50	1.05‡
Value Line Leveraged Growth Investors/Value Line	B	A	Mark Tavel (14)	306	none	0.80

[1] Most plans have lower minimum investment requirements for IRAs. [2] Average of price-to-earnings ratios for stocks in portfolio, weighted by size of holding as of 3/31/86. [3] Greater of security sales or purchases, divided by average net assets. A measure of trading activity. [4] Value on 6/30/86 of $10,000 invested 9/30/76, after taxes, for hypothetical upper-income investor *(see text for details).* [5] Monthly contractual plans only. [6] Second manager, Dietrich Weismann, has two years' tenure. ‡Fund has 12b-1 plan (hidden load) pending or in force. NA: Not available or not applicable.

Consistency, then, is key. We also demand excellent performance over the long haul—a period that we define as 9¾ years, covering three market cycles *(see chart on following page)*. Our 23 honor roll funds have delivered a 20% or better compound annual return for that period.

To further narrow the list, we have added this year a new criterion. Honor roll members had to do well enough after taxes and sales charges to have turned $10,000 into at least $50,000 over the 9¾-year period if the investor reinvested all dividends. The aftertax results are shown in the column headed "hypothetical investment results." FORBES assumes tax rates that would have applied to someone with $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income and four exemptions. Loads, if any, were applied at 1986 rates. No deduction is made for the additional taxes that would be due if the investor cashed out his shares at the end of the period.

The rule on investment results penalizes funds paying out hefty income and capital gains distributions (better that fund shareholders simply see the fund's price per share go up, untaxed). The rule also penalizes funds with loads. In short, FORBES' rules for the honor roll simulate real life.

This year's honor roll boasts several newcomers: Partners, Shearson Appreciation, Sigma Capital and Value Line Leveraged Growth. We have dropped honor roll members that are closed to new investors. That knocks off the list the excellent Vanguard Explorer, Loomis-Sayles Capital Development and Pennsylvania Mutual.

The "portfolio turnover" column tells whether the manager's style runs to in-and-out trading. Since trading costs money, not only in commissions but in the spread between bid and ask prices, shareholders should keep an eye on it. Some—repeat, some—managers can achieve superior results in spite of heavy transaction costs. For the group below, "average" turnover means turnover in the vicinity of 60% a year.

What about changes in fund management? Last year we received a letter from a portfolio management executive noting that Howard Schow, the man responsible for much of Amcap's long-term success, left the fund in 1983 and is now managing Vanguard's Primecap. "It's not the ships, but the men who sail them," he said. True enough.

So how does the investor make sure that the manager of an honor roll fund is the same one who achieved the honor roll results? We have allowed for that by telling readers how long their managers have reigned—shown in the third column below. The managers of Amcap, American Capital Pace, American Capital Venture and Growth Fund of America are new to the top spot. One should be alert to the possibility that the managers who created the honor roll performance are no longer in charge.—**Eva Pomice**

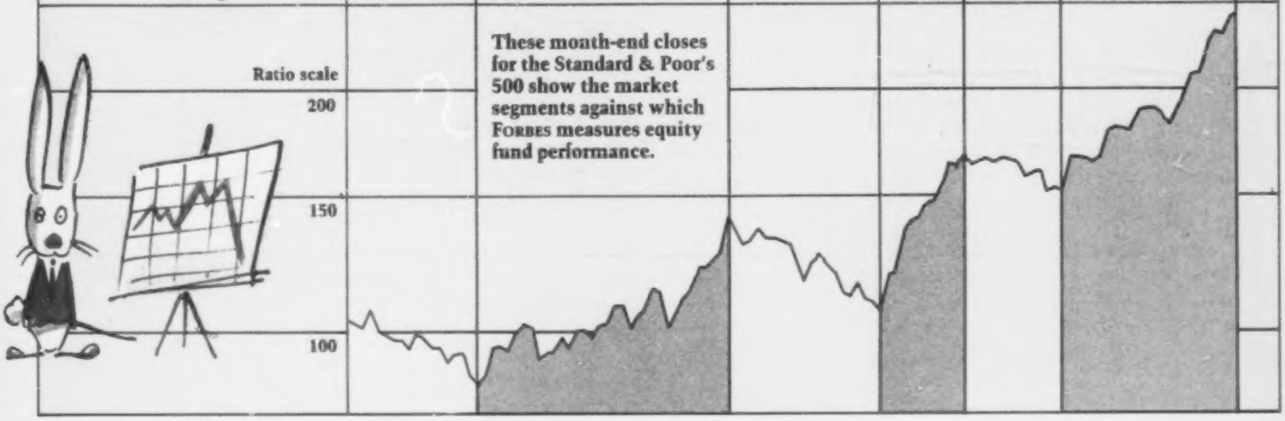
Minimum investment[1]	Weighted average P/E[2]	% of assets in cash	Portfolio turnover[3]	Average annual total return	Hypothetical investment results[4]	Fund (consecutive years on honor roll)
$1,000	28.3	10.0%	low	21.8%	$55,990	**Acorn Fund** (3)
1,000	24.7	17.1	low	22.3	54,889	**Amcap Fund** (8)
500	24.6	19.1	average	27.1	78,222	**American Capital Pace Fund** (5)
500	28.1	2.4	high	24.2	59,307	**American Capital Venture Fund** (4)
none	20.9	24.7	very low	25.0	75,735	**Claremont Capital Corp** (3)
2,000	17.9	10.0	average	27.9	92,297	**Evergreen Fund** (2)
NA[5]	16.3	1.2	average	24.1	50,420	**Fidelity Destiny Portfolio I** (4)
1,000	18.8	1.0	average	35.1	151,684	**Fidelity Magellan Fund** (5)
1,000	35.8	11.7	low	23.4	62,987	**Growth Fund of America** (4)
1,000	31.1	28.9	very high	21.9	50,934	**Janus Fund** (5)
250	23.1	1.5	high	24.1	61,688	**Mass Capital Development Fund** (2)
250	33.4	0.5	very high	23.8	61,248	**NEL Growth Fund** (2)
500	19.6	37.7	very low	25.1	75,700	**Nicholas Fund** (5)
500	20.6	7.0	low	24.5	62,745	**Over-the-Counter Securities Fund** (5)
500	15.1	15.2	very high	21.8	50,716	**Partners Fund**
1,000	25.8	2.8	low	21.7	61,805	**Scudder Development Fund** (2)
500	21.1	15.4	average	20.7	54,754	**Shearson Appreciation**
none	21.3	26.6	very low	20.9	52,544	**Sigma Capital Shares**
none	26.2	10.0	very low	23.7	66,823	**Sigma Venture Shares** (2)
1,000	29.0	1.5	high	23.1	72,130	**Tudor Fund** (2)
none	22.2	1.0	high	29.6	108,588	**Twentieth Century Select Investors** (8)
500	26.6	15.3	very high	22.1	52,104	**United Vanguard Fund** (2)
1,000	22.7	5.5	high	24.3	61,769	**Value Line Leveraged Growth Investors**

1986 Fund Ratings

Stock funds

This list of stock funds includes funds that invest abroad and gold funds. To be rated, a fund must be in existence for at least two market cycles; that is, since Nov. 30, 1980. To obtain information about a fund, first find the distributor, listed next to the name of the fund in this table. Then use the distributor table on page 186. Closed-end funds aren't distributed; they trade the way other shares do, either over-the-counter or on an exchange.

Rising markets		2/28/78 to 11/30/80		7/31/82 to 6/30/83		7/31/84 to 6/30/86
Declining markets	9/30/76 to 2/28/78		11/30/80 to 7/31/82		6/30/83 to 7/31/84	
Percent change	–17%	+61%	–24%	+57%	–10%	+67%



These month-end closes for the Standard & Poor's 500 show the market segments against which FORBES measures equity fund performance.

Investment results

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Average annual total return 1976-86	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		FORBES stock fund composite	16.7%	32.4%	2.2%				
C	D	**ABT Growth & Income Trust/Leshner**	14.2%	27.8%	5.6%	$123	5%	8.50%	$1.45‡
		ABT Investment-Emerging Growth/Leshner	—*	53.2	none	38	180	8.50	2.34‡
		ABT Investment-Security Income/Leshner	—*	12.9	1.4	19	–16	8.50	2.05‡
•D	•B	**ABT Utility Income Fund/Leshner**	—*	19.2	7.9	109	29	8.50	1.57‡
B	A	**Acorn Fund/Acorn Fund**	21.8	32.8	1.2	425	58	none	0.78
		Adam Investors/Conway	—*	28.3	3.8	14	88	none	2.53
D	B	**Adams Express/closed end**	15.8	36.0	3.0	522	29	NA	0.48
		Advantage Growth Fund/Advest	—*	—*	—*	14	—	4.00b	2.86‡
C	B	**Affiliated Fund/Lord Abbett**	15.8	32.3	4.8	3,125	30	7.25	0.32
B	C	**Afuture Fund/Afuture**	15.6	26.1	0.7	25	–6	none	1.60
		Alliance Convertible Fund/Alliance	—*	—*	—*	49	—	5.50	0.28‡
		Alliance Counterpoint Fund/Alliance	—*	41.1	1.6	38	101	none	1.41‡
		Alliance International Fund/Alliance	—*	93.5	0.1	139	94	8.50	1.24
		Alliance Technology Fund/Alliance	—*	40.6	none	153	14	8.50	1.13
C	B	**Alpha Fund/Commodore**	17.0	43.6	2.7	28	34	8.50	1.50

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

Stock funds

Performance in UP markets	Performance in DOWN markets		Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Fund/distributor							
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
D	B	**AMA Fund[1]/AMA**	14.3%	32.0%	1.8%	$34	18%	none	$1.60‡
B	A	**Amcap Fund/American Funds**	22.3	29.7	1.8	1,506	25	8.50%	0.54
C	A+	**American Capital Comstock Fund/American Cap**	22.0	20.4	2.4	1,001	22	8.50	0.58
A	D	**American Capital Enterprise Fund/American Cap**	19.4	33.9	1.7	718	13	8.50	0.61
		American Capital Exchange Fund/‡‡	—*	27.7	2.6	51	3	none	0.69
		American Capital OTC Secs/American Cap	—*	21.8	0.3	129	42	8.50	1.19
B	A+	**American Capital Pace Fund/American Cap**	27.1	23.7	3.2	2,229	47	8.50	0.60
B	A	**American Capital Venture Fund/American Cap**	24.2	17.8	0.9	415	–5	8.50	0.68
D	A	**American Growth Fund/American Growth**	17.0	15.1	4.2	71	3	8.50	1.32
B	D	**American Investors Fund/American Invest**	7.6	22.6	2.3	82	–3	none	1.32
D	B	**American Leaders Fund/Federated**	12.7	23.3	4.0	116	44	none	1.09‡
D	A	**American Mutual Fund/American Funds**	18.6	31.7	3.7	1,962	47	8.50	0.46
B	B	**American National Growth/Securities Mgmt**	18.4	34.6	1.6	102	9	8.50	0.95
D	A	**American National Income/Securities Mgmt**	14.1	23.4	3.5	62	27	8.50	0.90
		American Pension Investors Trust[2]/Amer Pension	—*	35.6	5.1	6	NM	5.00b	1.43‡
		American Telecommunications-Growth/‡‡	—*	38.9	2.4	45	23	3.00b	1.32
		American Telecommunications-Income/‡‡	—*	37.5	5.2	104	21	3.00b	1.07
A	C	**AMEV Capital Fund/AMEV Investors**	20.9	47.6	1.4	106	42	8.50	0.90
		AMEV Fiduciary Fund/AMEV Investors	—*	56.2	0.8	16	103	4.00	1.50‡
A+	C	**AMEV Growth Fund/AMEV Investors**	25.4	50.2	0.8	163	59	8.50	0.86
•F	•B	**Analytic Optioned Equity Fund/Analytic Option**	—*	15.6	3.7	84	–25	none	1.23
B	D	**Armstrong Associates/Armstrong**	14.6	17.8	2.7	12	7	none	1.60
A	C	**ASA Limited/closed end**	20.2	1.0	4.9	437	–4	NA	0.30
		Associated Planners Stock Fund/AIM	—*	40.7	0.5	5	178	8.50	2.39
B	F	**Axe-Houghton Stock Fund/Axe-Houghton**	13.5	35.1	0.4	108	8	none	0.95‡
		Babson Enterprise Fund/Jones & Babson	—*	23.7	1.7	62	208	none	1.58
D	D	**Babson Growth Fund/Jones & Babson**	11.5	35.0	4.0	254	18	none	0.76
		Babson Value Fund/Jones & Babson	—*	29.5	2.0	5	286	none	0.93
•B	•C	**Bailard, Biehl & Kaiser International/Bailard**	—*	110.6	0.7	131	111	none	0.98
B	B	**Baker, Fentress & Co/closed end**	19.0	44.0	2.1	456	38	NA	0.54
		Bartlett Capital Trust-Basic Value[3]/Bartlett	—*	32.2	6.0	65	142	none	1.56‡
		Bascom Hill Investors/Madison	—*	29.2	3.7	7	46	none	1.06
D	B	**Beacon Hill Mutual Fund/Beacon Hill**	13.3	35.1	none	4	34	none	3.40
D	A	**BLC Capital Accumulation Fund[4]/Princor**	16.9	37.0	3.5	56	80	8.50	0.80
B	D	**BLC Growth Fund/Princor**	15.6	42.7	1.7	26	40	8.50	1.00
C	C	**Boston Co Capital Appreciation/Boston Co**	15.0	38.6	1.3	474	50	none	0.96‡
		Boston Co Special Growth Fund/Boston Co	—*	39.0	1.3	67	49	none	1.35‡
D	C	**Boston Mutual Fund/Boston Mutual**	11.3	21.6	1.5	7	19	none	1.36
		Brandywine Fund/Brandywine	—*	—*	—*	41	—	none	1.60

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. [1] Formerly PRO Fund. [2] Fund pays a 5% premium on share purchases and charges a 5% redemption fee. [3] Formerly Midwest Group-Bartlett Basic Value. [4] Formerly BLC Income Fund. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 186.

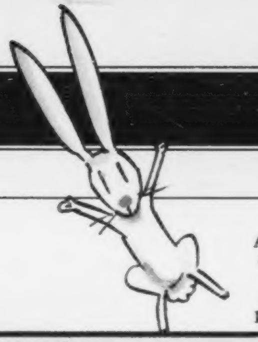
1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		FORBES stock fund composite	16.7%	32.4%	2.2%				
•D	•C	**Bridges Investment Fund/Bridges**	—*	31.5%	4.0%	$6	44%	1.00%r	$1.05
B	D	**Bull & Bear Capital Growth Fund/Bull & Bear**	17.5%	29.3	1.2	90	12	none	1.41‡
D	A	**Bull & Bear Equity-Income Fund/Bull & Bear**	14.4	30.2	5.0	8	48	none	2.14‡
		Bullock Aggressive Growth Shares/Bullock	—*	35.7	none	7	20	8.50	1.51
D	C	**Bullock Dividend Shares/Bullock**	14.2	39.4	3.2	374	28	8.50	0.95
C	C	**Bullock Growth Shares/Bullock**	14.6	39.9	1.6	180	19	8.50	0.93
		Calvert Equity Fund/Calvert	—*	32.1	1.5	9	28	none	1.90‡
		Calvert Fund-Washington Area Growth/Calvert	—*	34.9	0.1	17	NM	6.00b	2.25‡
D	D	**Canadian Fund/Bullock**	9.9	4.9	2.4	25	5	8.50	1.17
		Capital Exchange Fund/‡‡	14.9	30.3	1.9	74	18	none	0.76
C	B	**Cardinal Fund/Ohio Co**	18.8	37.1	2.1	81	153	8.50	0.89
		Carnegie-Cappiello Trust-Growth/Carnegie	—*	28.9	1.5	51	71	4.00	1.50‡
		Carnegie-Cappiello Trust-Total Return/Carnegie	—*	—*	—*	43	—	4.00	2.17‡
		Cashman Farrell Value Fund/Tenneco	—*	—*	—*	6	—	7.50	1.50
B	D	**Central Securities/closed end**	16.4	21.5	1.1	119	18	NA	0.92
D	A	**Century Shares Trust/Century Shares**	17.6	35.6	2.6	163	60	none	0.84
B	B	**Charter Fund/AIM**	20.8	35.3	2.0	90	13	none	1.11‡
C	D	**Chemical Fund/Alliance**	12.3	38.6	1.4	775	7	8.50	0.59
		Chestnut Street Exchange Fund/‡‡	—*	34.2	2.1	161	22	none	0.61
		Cigna Aggressive Growth Fund/Cigna	—*	23.6	0.8	20	117	5.00	1.26‡
C	D	**Cigna Growth Fund/Cigna**	14.2	31.5	2.4	235	20	5.00	0.85‡
		Cigna Value Fund/Cigna	—*	19.5	2.9	44	140	5.00	1.02‡
		CL Assets/closed end	—*	194.1	none	37	39	NA	1.30
B	A+	**Claremont Capital Corp/closed end**	25.0	44.0	2.8	61	37	NA	1.06
		Colonial Equity Income Trust/Colonial	—*	29.3	1.9	11	33	6.75	1.50‡
B	D	**Colonial Growth Shares/Colonial**	14.5	31.8	0.9	86	23	6.75	1.25‡
F	•B	**Colonial Option Income-Portfolio I/Colonial**	—*	16.1	2.6	1,264	–13	†	0.93‡
		Colonial Option Income-Portfolio II/Colonial	—*	14.6	2.5	214	33	6.75	1.03‡
A	C	**Columbia Growth Fund/Columbia**	19.9	28.6	1.3	292	42	none	1.06‡
		Columbia Special Fund/Columbia	—*	—*	—*	25	—	none	0.94‡
D	A	**Commonwealth Indenture A&B/Trusteed**	13.8	27.2	5.3	11	14	7.50	0.22
F	B	**Commonwealth Indenture C/Trusteed**	12.1	23.6	4.8	43	15	7.50	0.75
D	B	**Composite Growth Fund[5]/Murphey Favre**	13.0	26.0	3.5	69	45	4.00	1.70
		Connecticut Mutual-Growth/Conn Mutual	—*	—*	—*	19	—	6.25	1.35
		Connecticut Mutual-Total Return/Conn Mutual	—*	—*	—*	28	—	6.25	1.35
A+	F	**Constellation Growth Fund/Prescott, Ball**	21.5	49.6	none	151	34	none	1.10
		Copley Tax Managed Fund/Copley	—*	23.5	none	28	115	none	1.47
D	C	**Corp Leaders Tr Fund Certificates Ser B/Lexington**	14.9	37.0	4.5	76	26	—[6]	0.10
C	D	**Country Capital Growth Fund/Country Capital**	12.9	28.9	3.1	75	15	7.50	0.94

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. [5] Formerly Composite Fund. [6] Fund not currently selling new shares; fund would charge a 6.7% fee for share purchases and charge a 1.5% redemption fee. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 186.



Stock funds

Performance			Investment results						
			Average annual total return 1976-86	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
in UP	in DOWN	Fund/distributor		total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85		
——markets——									
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
		Dean Witter Convertible/Dean Witter	—*	—*	—*	$1,342	—	5.00%b	$1.72‡
		Dean Witter Developing Growth/Dean Witter	—*	19.7%	0.4%	188	7%	5.00b	1.81‡
		Dean Witter Dividend Growth/Dean Witter	—*	33.4	2.7	1,084	390	5.00b	1.55‡
•B	•D	Dean Witter Industry-Valued/Dean Witter	—*	38.0	2.1	76	88	5.00b	1.24‡
		Dean Witter Natural Resource/Dean Witter	—*	5.4	3.0	38	69	5.00b	1.39‡
		Dean Witter Option Income/Dean Witter	—*	15.0	2.3	591	34	5.00b	1.94‡
		Dean Witter World Wide Investment/Dean Witter	—*	58.9	0.6	326	233	5.00b	2.35‡
D	A	Decatur Income Fund/Delaware	17.0%	26.8	4.9	1,072	39	8.50	0.65
C	B	Delaware Fund/Delaware	17.1	30.7	2.9	427	23	8.50	0.75
B	B	Delta Trend Fund/Delaware	19.1	41.3	1.4	110	26	8.50	1.30
		Depositors Fund of Boston/‡‡	—*	31.7	1.5	64	20	none	0.77
		Depositors Invest-Aggressive Growth/Putnam	—*	52.5	none	46	134	none	1.72‡
		Depositors Invest-Capital Growth/Putnam	—*	31.4	0.4	13	83	none	1.74‡
C	D	deVegh Mutual Fund/Alliance	12.2	30.3	1.7	60	10	none	1.22‡
		Diversification Fund/‡‡	—*	27.3	1.8	68	16	none	0.77
		Dividend/Growth-Dividend/Amer Investment	—*	15.8	4.2	5	2	none	2.00
C	C	Dodge & Cox Stock Fund/Dodge & Cox	16.7	37.6	3.1	46	41	none	0.68
C	B	Drexel Burnham Fund/Drexel	16.1	37.2	3.6	139	63	3.50	1.00
		Drexel Series-Convertible Secs/Drexel	—*	—*	—*	36	—	5.00b	2.70‡
		Drexel Series-Emerging Growth/Drexel	—*	53.4	none	45	NM	5.00b	2.50‡
		Drexel Series-Growth/Drexel	—*	25.8	4.7	23	451	5.00b	2.90‡
		Drexel Series-Option Income/Drexel	—*	16.2	3.6	36	91	5.00b	2.45‡
		Dreyfus Capital Value Fund/Dreyfus	—*	—*	—*	11	—	none	0.71
D	B	Dreyfus Fund/Dreyfus	16.1	27.4	4.3	2,671	23	8.50	0.75
		Dreyfus General Aggressive Growth Fund/Dreyfus	—*	63.4	none	27	783	none	1.51‡
A	C	Dreyfus Growth Opportunity Fund/Dreyfus	18.0	37.2	1.7	506	21	none	0.98
B	B	Dreyfus Leverage Fund/Dreyfus	18.3	32.8	3.6	530	14	8.50	0.94
		Dreyfus New Leaders Fund/Dreyfus	—*	59.9	none	80	NM	none	NA
B	C	Dreyfus Third Century Fund/Dreyfus	17.0	18.1	2.5	176	–1	none	0.97
D	C	Eagle Growth Shares/Universal	12.0	9.2	1.7	4	–18	8.50	1.51
D	C	Eaton & Howard Stock Fund/Eaton Vance	13.3	29.9	3.9	86	5	7.25	0.86
C	B	Eaton Vance Growth Fund/Eaton Vance	18.0	33.9	1.7	85	20	8.50	0.91
B	B	Eaton Vance Special Equities Fund/Eaton Vance	17.8	24.8	0.2	50	6	7.25	1.01
		Eaton Vance Total Return Trust[7]/Eaton Vance	—*	48.4	4.9	569	0	8.50	0.85
		Ellsworth Convertible Growth & Inc/closed end	—*	—*	—*	52	—	NA	NA
		Emerging Medical Technology Fund/closed end	—*	32.3	none	14	47	NA	2.24
C	C	Energy Fund/Neuberger	14.2	15.0	4.5	385	1	none	0.89
•A	•D	Engex/closed end	—*	62.4	none	21	57	NA	1.34
		Equitec Siebel Aggressive Growth Fund/Equitec	—*	—*	—*	6	—	5.00b	NA‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. [7] Formerly Eaton Vance Tax-Managed Trust. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 186.

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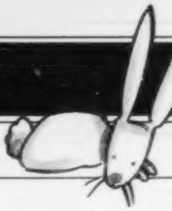
Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%
		Forbes stock fund composite	16.7%	32.4%	2.2%
		Equitec Siebel Total Return Fund/Equitec	—*	—*	—*
		Equity Strategies Fund/Whitman	—*	33.0%	none
		EuroPacific Growth Fund/American Funds	—*	57.4	0.7%
A+	B	Evergreen Fund/Lieber	27.9%	42.0	0.9
●C	●A	Evergreen Total Return Fund/Lieber	—*	32.4	5.1
		Exchange Fund of Boston/‡‡	15.8	33.9	1.7
A	F	Fairfield Fund/National Secs	15.2	32.6	0.5
		Fairmont Fund/Sachs	—*	34.6	0.9
D	C	Farm Bureau Growth Fund/PFS Management	12.5	24.0	2.3
		Federated Exchange Fund/‡‡	—*	34.0	2.4
		Federated Growth Trust/Federated	—*	42.5	1.8
		Federated Stock Trust/Federated	—*	29.6	2.9
		Fenimore International Fund/Drexel	—*	—*	—*
		Fidelity Congress Street Fund/‡‡	—*	45.3	2.5
C	D	Fidelity Contrafund/Fidelity	12.6	29.8	2.9
B	A	Fidelity Destiny Portfolio I/Fidelity	24.1	43.1	2.9
●B	●C	Fidelity Discoverer Fund/Fidelity	—*	31.2	1.6
C	A	Fidelity Equity-Income Fund/Fidelity	21.5	26.4	5.8
		Fidelity Exchange Fund/‡‡	—*	40.5	2.3
		Fidelity Freedom Fund/Fidelity	—*	39.1	2.0
C	C	Fidelity Fund/Fidelity	16.2	34.9	3.7
		Fidelity Growth & Income/Fidelity	—*	—*	—*
		Fidelity Growth Company Fund§/Fidelity	—*	43.8	0.4
A+	A	Fidelity Magellan Fund/Fidelity	35.1	52.3	0.8
		Fidelity OTC Portfolio/Fidelity	—*	48.4	none
		Fidelity Overseas Fund/Fidelity	—*	109.3	none
D	A	Fidelity Puritan Fund/Fidelity	16.9	26.3	6.9
		Fidelity Select-American Gold/Fidelity	—*	—*	—*
		Fidelity Select-Biotechnology/Fidelity	—*	—*	—*
		Fidelity Select-Brokerage & Investment/Fidelity	—*	—*	—*
		Fidelity Select-Chemicals/Fidelity	—*	—*	—*
		Fidelity Select-Computers/Fidelity	—*	—*	—*
		Fidelity Select-Defense & Aerospace/Fidelity	—*	25.3	none
		Fidelity Select-Energy/Fidelity	—*	0.2	none
		Fidelity Select-Financial Services/Fidelity	—*	49.0	none
		Fidelity Select-Food & Agriculture/Fidelity	—*	—*	—*
		Fidelity Select-Health Care/Fidelity	—*	52.0	none
		Fidelity Select-Leisure/Fidelity	—*	57.4	none
		Fidelity Select-Prec Metals & Min/Fidelity	—*	—17.2	none

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. ●Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. **Available only through monthly contractual plan. ‡Fund has 12b-1 plan (hidden

Table of distributors, showing addresses and phone numbers, begins on page 186.



Total assets		Maximum	Annual
6/30/86 (millions)	% change '86 vs '85	sales charge	expenses per $100
$ 60	—	5.00%b	$1.16‡
9	33%	none	1.70‡
131	260	8.50	1.31‡
714	121	none	1.08
569	353	none	1.11
68	23	none	0.77
57	10	8.50	1.17
76	103	none	1.48‡
47	6	none	1.01‡
121	25	none	0.99
54	421	none	1.00
450	152	none	1.00
55	—	none	2.67‡
58	32	none	0.64
93	9	none	1.00
1,166	53	**	0.60
137	5	none	1.13
3,091	94	2.00	0.66
166	27	none	0.62
943	56	none	1.08
874	24	none	0.66
267	—	none	NA
224	64	3.00	1.18
7,412	158	3.00	1.08
947	NM	3.00	1.49
1,826	NM	3.00	1.45
2,190	108	none	0.61
8	—	3.00b	1.50
57	—	3.00b	1.41
26	—	3.00b	1.52
43	—	3.00b	1.50
11	—	3.00b	1.68
11	3	3.00b	1.60
44	18	3.00b	1.54
209	81	3.00b	1.26
38	—	3.00b	1.75
408	64	3.00b	1.28
348	407	3.00b	1.41
103	–35	3.00b	1.48

load) pending or in force. ‡‡Exchange fund, not currently selling new shares. "Formerly Fidelity Mercury Fund. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

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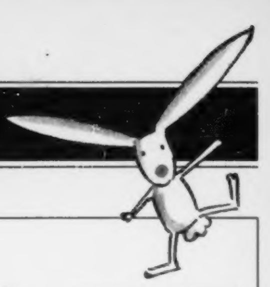
1986 Fund Ratings



Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
		Fidelity Select-Property & Casualty/Fidelity	—*	—*	—*	$ 7	—	3.00%b	$1.51
		Fidelity Select-Retailing/Fidelity	—*	—*	—*	38	—	3.00b	1.67
		Fidelity Select-Savings & Loan/Fidelity	—*	—*	—*	51	—	3.00b	1.54
		Fidelity Select-Software & Computer/Fidelity	—*	—*	—*	18	—	3.00b	1.65
		Fidelity Select-Technology/Fidelity	—*	14.9%	none	240	–47%	3.00b	1.26
		Fidelity Select-Telecommunications/Fidelity	—*	—*	—*	6	—	3.00b	1.51
		Fidelity Select-Utilities/Fidelity	—*	34.3	none	112	37	3.00b	1.42
		Fidelity Special Situations Fund/Fidelity	—*	49.4	1.4%	38	127	3.00	1.50
B	D	**Fidelity Trend Fund/Fidelity**	14.1%	35.2	1.5	835	25	none	0.52
		Fiduciary Capital Growth Fund/Fiduciary	—*	33.9	0.7	66	56	none	1.30
		Fiduciary Exchange Fund/‡‡	—*	30.8	1.7	57	18	none	0.79
C	B	**Financial Dynamics Fund/Financial Prog**	16.4	32.1	0.7	88	13	none	0.90
C	C	**Financial Industrial Fund/Financial Prog**	16.2	28.6	2.5	417	16	none	0.72
D	A	**Financial Industrial Income Fund/Financial Prog**	17.1	37.2	5.3	342	37	none	0.71
		First Financial Fund/closed end	—*	—*	—*	89	—	NA	NA
C	C	**First Investors Discovery Fund/First Investors**	12.3	6.4	1.1	43	–11	8.50	1.17‡
B	F	**First Investors Fund for Growth/First Investors**	9.9	8.9	none	65	–8	8.50	1.06‡
		First Investors International Secs/First Investors	—*	20.7	0.1	29	–14	8.50	1.70‡
D	F	**First Investors Natural Resources/First Investors**	–4.4	–33.6	6.6	9	–18	8.50	1.40‡
		First Investors Ninety-Ten Fund/First Investors	—*	4.4	6.6	12	–68	8.50	1.36‡
F	A	**First Investors Option Fund/First Investors**	9.9	12.5	2.8	207	15	7.25	0.97‡
		Flag Investors-Telephone Income Shares/‡‡	—*	36.9	5.9	103	28	1.00†b	0.95‡
		Flex-fund-Capital Gains Fund/Flex	—*	33.4	2.1	9	60	none	1.50‡
		Flex-fund-Retirement Growth/Flex	—*	30.8	3.1	63	25	none	1.39‡
•A	•F	**44 Wall Street Equity/44 Securities**	—*	46.6	none	13	25	1.00	2.00
A	C	**44 Wall Street Fund/44 Securities**	4.2	8.0	none	34	–36	0.25b	1.38
B	D	**Founders Growth Fund/Founders**	17.7	40.6	1.6	69	40	none	1.17‡
F	A	**Founders Income Fund/Founders**	13.4	15.2	4.9	12	30	none	1.50‡
C	D	**Founders Mutual Fund/Founders**	12.9	43.3	2.9	202	37	none	0.70‡
A	C	**Founders Special Fund/Founders**	19.3	30.4	0.8	97	–22	none	1.02
D	D	**FPA Capital Fund/Angeles/Quinoco**	11.4	33.3	3.0	53	28	8.00	0.95
D	A	**FPA Paramount Fund/Angeles/Quinoco**	17.1	8.4	5.9	128	–10	†	1.03
		FPA Perennial Fund/Angeles/Quinoco	—*	18.4	2.6	57	74	8.50	1.21
B	D	**Franklin Custodian-Dynatech/Franklin**	16.3	15.9	2.1	43	–7	4.00	0.86
D	C	**Franklin Custodian-Growth/Franklin**	12.8	28.3	1.6	44	82	4.00	0.85
D	A+	**Franklin Custodian-Utilities/Franklin**	15.4	21.8	6.7	188	251	4.00	0.77
B	C	**Franklin Equity Fund/Franklin**	17.7	41.3	1.6	161	69	4.00	0.89
A	C	**Franklin Gold Fund/Franklin**	20.5	–18.1	4.5	93	–30	4.00	1.00
D	B	**Franklin Option Fund/Franklin**	14.2	19.3	1.8	19	108	4.00	1.10

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	**14.7%**	**35.8%**	**3.2%**				
		Forbes stock fund composite	**16.7%**	**32.4%**	**2.2%**				
		Freedom Gold & Government/Tucker Anthony	—*	16.4%	7.7%	$42	39%	5.00%	$1.45
		Freedom Regional Bank Fund/Tucker Anthony	—*	—*	—*	63	—	6.00	1.33
		FT International/Federated	—*	96.1	0.4	90	369	none	1.00
C	B	**Fund of America/American Cap**	17.6%	21.3	3.6	162	8	8.50	0.76
B	D	**Fund of the Southwest/Tenneco**	16.9	21.3	1.1	17	27	7.50	1.51
D	B	**Fundamental Investors/American Funds**	15.4	39.7	2.6	531	26	8.50	0.65
		Gabelli Asset Fund/Reich & Tang	—*	—*	—*	25	—	2.00r	1.23‡
F	•B	**Gateway Option Income Fund/Gateway Option**	—*	15.2	2.6	38	69	none	1.50
A	C	**General American Investors/closed end**	20.0	39.4	1.5	359	35	NA	1.29
D	C	**General Securities/Craig-Hallum**	14.6	28.8	5.1	17	20	none	1.50
		Gintel Capital Appreciation Fund/Gintel	—*	—*	—*	21	—	none	NA‡
		Gintel ERISA Fund/Gintel	—*	39.1	2.7	88	13	none	1.30‡
		Gintel Fund/Gintel	—*	30.6	1.8	132	17	none	1.20‡
		GIT Equity Trust-Special Growth/GIT	—*	49.5	0.6	19	403	none	1.35‡
•F	•D	**Golconda Investors/Bull & Bear**	—*	–1.9	0.4	21	–5	none	2.68‡
		Gold/Resources Fund/Van Eck	—*	—*	—*	8	—	7.50	NA‡
		Gradison Emerging Growth Fund/Gradison	—*	43.2	0.2	17	239	none	2.00‡
		Gradison Established Growth Fund/Gradison	—*	28.0	2.0	33	124	none	1.72‡
		Greenspring Fund/Greenspring	—*	19.1	5.5	14	26	1.00r	1.49
B	•D	**Greenway Fund/AIM**	—*	29.8	0.5	20	421	6.50	2.00
A	A	**Growth Fund of America/American Funds**	23.4	33.7	1.2	829	37	8.50	0.69
B	C	**Growth Industry Shares/Growth Industry**	17.4	27.9	2.0	84	20	none	0.95
		Growth Stock Outlook Trust/closed end	—*	—*	—*	138	—	NA	NA
		GT Global Growth-Europe/GT Global	—*	—*	—*	6	—	none	2.80
•F	•C	**GT Global Growth-Pacific/GT Global**	—*	59.0	none	49	15	none	1.40
B	B	**Guardian Mutual Fund/Neuberger**	18.2	28.2	3.8	558	23	none	0.76
B	B	**Guardian Park Ave Fund/Guardian**	21.1	43.6	1.7	133	76	8.50	0.70
C	D	**Hamilton Funds/Oppenheimer Inv**	13.2	36.6	2.9	257	18	8.50	0.89
		John Hancock Global Trust/Hancock	—*	—*	—*	53	–	8.50	1.51
A	F	**John Hancock Growth Trust/Hancock**	15.5	46.4	1.1	99	51	8.50	1.09
		John Hancock Special Equities Trust/Hancock	—*	39.2	0.4	14	820	8.50	1.50
A	D	**Hartwell Growth Fund/Hartwell**	20.1	30.1	none	11	–5	none	2.70
A+	D	**Hartwell Leverage Fund/Hartwell**	19.3	49.7	none	46	30	none	2.00
		Heartland Value Fund/Milwaukee Co	—*	37.3	0.5	26	285	4.50	2.50‡
		Heritage Capital Appreciation/ RJ Financial	—*	—*	—*	36	—	3.00	2.00‡
		Wayne Hummer Growth Fund/Hummer	—*	30.7	1.7	12	135	none	1.50‡
		Hutton Investment-Basic Value/Hutton	—*	28.2	2.6	299	351	5.00b	1.59‡
		Hutton Investment-Growth/Hutton	—*	33.7	1.7	1,216	39	5.00b	1.77‡
		Hutton Investment-Option Income/Hutton	—*	7.2	7.2	86	–43	5.00b	1.96‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

IT'S NOT A RISK WHEN IT'S BEEN DONE OVER 1250 TIMES.

FANTASTIC SAMS, the original family haircutters, is the world's largest and fastest growing haircare franchise, according to ENTREPRENEUR, 1986. It's no accident — Fantastic Sam's has sold over 1250 stores — and we're still growing with new sales each day!

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A Prospectus containing more complete information about THE LEGG MASON VALUE TRUST, including charges and expenses, will be sent without obligation. Read it carefully before you invest or send money. This advertisement does not constitute an offer in any state in which such an offer may not lawfully be made.

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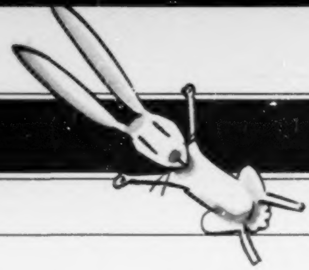
1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months total return	Latest 12 months return from income dividends
		Standard & Poor's 500 stock average	**14.7%**	**35.8%**	**3.2%**
		Forbes stock fund composite	**16.7%**	**32.4%**	**2.2%**
		Hutton Investment-Precious Metals/Hutton	—*	–8.9%	0.3%
		Hutton Investment-Special Equities[9]/Hutton	—*	32.4	0.3
		Idex Fund/Idex	—*	29.4	1.1
		IDS Discovery Fund/IDS	—*	35.5	1.2
C	D	**IDS Equity Plus/IDS**	14.3%	40.2	3.3
A+	C	IDS Growth Fund/IDS	23.7	46.2	0.5
		IDS International Fund/IDS	—*	75.6	0.1
		IDS Managed Retirement Fund/IDS	—*	43.1	2.3
A	C	IDS New Dimensions Fund/IDS	21.1	43.6	1.4
		IDS Precious Metals Fund/IDS	—*	–5.8	1.9
C	B	**IDS Progressive Fund/IDS**	16.6	28.8	2.8
D	C	**IDS Stock Fund/IDS**	12.9	38.4	2.9
		IDS Strategy Fund-Aggressive Equity/IDS	—*	57.9	none
		IDS Strategy Fund-Equity/IDS	—*	26.5	2.8
		Industrial Series-American Fund/Mackenzie	—*	—*	—*
		Integrated Capital Appreciation Fund/Integrated	—*	40.2	1.2
A	C	International Investors/Van Eck	23.2	–8.2	5.1
		Interstate Capital Growth Fund[10]/Interstate	—*	11.3	none
C	B	Investment Co of America/American Funds	17.2	38.3	3.1
		Investment Port-Equity/Kemper	—*	21.3	0.3
		Investment Port-Option Income/Kemper	—*	8.5	1.5
C	F	**Investment Trust of Boston/ITB**	12.1	31.4	2.7
A+	D	**Investors Research Fund/Diversified**	21.9	54.4	1.4
		IRI Stock Fund/IRI	—*	42.4	2.3
F	A	**ISI Growth Fund/ISI Corp**	12.9	24.1	2.5
F	A+	ISI Trust Fund/ISI Corp	10.7	15.5	4.9
		Italy Fund/closed end	—*	—*	—*
C	B	Ivy Growth Fund/Ivy	18.0	26.4	2.9
B	A	Janus Fund/Janus	21.9	31.0	3.4
		Janus Value Fund/Janus	—*	31.5	3.0
		Janus Venture Fund/Janus	—*	43.9	2.1
D	A	**Japan Fund/closed end**	18.3	98.4	0.3
D	B	**JP Growth Fund/Jefferson-Pilot**	14.9	29.8	3.0
A	D	**Kemper Growth Fund/Kemper**	17.6	26.0	2.3
		Kemper International Fund/Kemper	—*	78.9	0.7
F	•A	Kemper Option Income Fund/Kemper	—*	9.7	2.6
A	C	Kemper Summit Fund/Kemper	21.3	30.3	1.7
C	D	Keystone Custodian K-2/Keystone	13.3	39.6	1.1
D	D	Keystone Custodian S-1/Keystone	9.6	34.2	1.9

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending

Table of distributors, showing addresses and phone numbers, begins on page 186.



Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
$26	10%	5.00% b	$2.37‡
266	71	5.00b	2.20‡
60	NM	†	1.70
329	14	5.00	0.74‡
403	21	5.00	0.51‡
871	20	5.00	0.54‡
184	717	5.00	1.21‡
269	400	5.00	1.07‡
598	41	5.00	0.61‡
11	307	5.00	2.00‡
198	17	5.00	0.73‡
1,520	12	5.00	0.51‡
149	378	5.00b	1.76‡
71	291	5.00b	1.86‡
6	—	8.50	1.99‡
114	NM	5.00b	1.05‡
694	–22	8.50	0.81
10	90	2.50	1.86‡
3,664	34	8.50	0.43
224	163	6.00b	2.15‡
332	216	6.00b	2.04‡
73	18	7.00	1.00‡
75	49	8.50	0.81
16	78	4.50	1.50
15	8	8.50	1.49
110	5	8.50	1.09
77	—	NA	1.50
166	81	none	1.27
542	32	none	1.01‡
11	248	none	2.00‡
31	767	none	2.00‡
521	93	NA	0.64
26	23	8.00	0.86
301	12	8.50	0.79
141	235	8.50	1.08
707	–10	8.50	0.86
343	43	8.50	0.54
297	43	4.00r	0.97‡
118	39	4.00r	1.11‡

or in force. [9]Formerly Hutton Investment-Emerging Growth. [10]Formerly GSC Performance Fund. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

IS YOUR FUND STRONG?

+64.4%

From inception on 12/30/85 through 7/24/86*

If your mutual fund hasn't performed as well as the Strong Opportunity Fund — you've got a lot of company. This aggressive-growth fund has **outperformed nearly every fund in America since its inception.**** If you're willing to entertain above-average investment volatility to pursue above-average growth, this could be the opportunity you've been looking for.

CALL 1 800 368-3863
OR WRITE TODAY

☐ YES, send me a FREE prospectus with complete information on charges, expenses, and the 2% sales charge (no redemption fee). Low $1,000 minimum initial investment. Read prospectus carefully before investing. Past performance is no guarantee of future success.

I am also interested in:
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815 East Mason Street, Milwaukee, WI 53202

STRONG FUNDS
A strong foundation for your future.

FB609

*Includes changes in share price, effects of sales charge, and standard reinvestment of all dividends and capital gains distribution.

**The Strong Opportunity Fund was ranked #3 out of 946 mutual funds evaluated by Lipper Analytical Services for the period from 1/1/86 through 7/24/86.

Value Line gives you all this plus four bond funds and two cash funds and there's never a sales charge.

12/31/75 — 6/30/86

Value Line Leveraged Growth Investors	1,044.8%
Value Line Special Situations	637.2%
Value Line Fund	634.3%
Value Line Income Fund	503.8%
S&P 500 Average	303.2%

The manager of this Fund Family and its affiliates have more than **$100 million** of their own money invested in it. Doesn't it make sense to invest with people who place their money where they are asking you to put yours? Return the coupon today or call 1-800-223-0818 during business hours in New York.

***NOTE:** These percentage gains reflect the reinvestment of all distributions. The 10½ year period was selected to compare the recovery of a widely followed but unmanaged index with that of the professionally managed Value Line Funds. Past performance is not indicative of future results. See prospectus for further details.*

Please send a prospectus and report on the fund(s) I have selected on the following list. I also want ☐ IRA ☐ Keogh information ☐ 403(b)(7) information.

- ☐ **Value Line Leveraged Growth Investors**
- ☐ **Value Line Special Situations Fund**
- ☐ **Value Line Fund**
- ☐ **Value Line Convertible Fund**
- ☐ **Value Line Aggressive Income Trust**
- ☐ **Value Line Income Fund**
- ☐ **Value Line Cash Fund**
- ☐ **Value Line Tax Exempt Fund**
- ☐ **Value Line U.S. Government Securities Fund**

Dept 816E08

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Address ______________________
City ______________________
State ______________ Zip ______________
Telephone ______________________

A prospectus containing more complete information including charges and expenses will be sent to you. Read it carefully before you invest. Send no money now.

Manager
Value Line, Inc.

711 Third Ave., N.Y., N.Y. 10017

Distributor
Value Line Securities, Inc.

1986 Fund Ratings

Stock funds

Performance			Investment results						
in UP	in DOWN		Average annual total return 1976-86	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
markets	markets	Fund/distributor		total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85		
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
B	D	Keystone Custodian S-3/Keystone	14.0%	31.9%	1.9%	$274	28%	4.00%r	$1.04‡
A	D	Keystone Custodian S-4/Keystone	16.8	29.9	0.3	710	11	4.00r	0.85‡
D	C	Keystone International Fund/Keystone	12.7	55.2	1.8	67	136	4.00r	1.58‡
A	C	Keystone Precious Metals Holdings/Keystone	15.2	–15.9	3.4	55	–6	4.00r	1.44‡
		Kidder Peabody Equity Income/Kidder	—*	—*	—*	30	—	5.00b	NA‡
		Kidder Peabody Special Growth Fund/Kidder	—*	18.0	1.0	39	–1	5.00b	1.27‡
		Korea Fund/closed end	—*	106.6	3.7	141	144	NA	2.04
		Legg Mason Special Investment Trust/Legg Mason	—*	—*	—*	53	—	none	2.50‡
		Legg Mason Total Return Trust/Legg Mason	—*	—*	—*	50	—	none	2.20‡
		Legg Mason Value Trust/Legg Mason	—*	31.6	1.3	669	171	none	2.10‡
A	•B	Lehman Capital Fund/Lehman	—*	33.8	1.2	126	3	none	1.13
C	C	Lehman Corp/closed end	15.6	33.3	2.9	932	25	NA	0.47
C	C	Lehman Investors Fund/Lehman	16.4	34.2	2.5	449	18	none	0.62
•B	•B	Lehman Opportunity Fund/Lehman	—*	26.5	1.7	110	59	none	1.23
C	D	Lepercq-Istel Trust[11]/Lepercq	11.5	17.6	5.0	28	–70	none	1.12‡
		Leverage Fund of Boston/Eaton Vance	—*	26.3	none	30	–3	none	1.22
		Lexington Goldfund/Lexington	—*	3.1	0.5	15	47	none	1.50‡
B	C	Lexington Growth Fund/Lexington	15.9	38.4	1.6	35	24	none	1.43‡
C	C	Lexington Research Fund/Lexington	14.6	33.8	3.4	133	20	none	1.00‡
		Lindner Dividend Fund/Lindner	—*	17.8	8.7	63	–9	†	0.95
D	A+	Lindner Fund/Lindner	23.6	17.3	0.5	391	–2	†	0.65
		LMH Fund/Heine Mgmt	—*	21.8	2.6	84	9	none	1.25
A	B	Loomis-Sayles Capital Development Fund/NEL	25.3	50.8	0.6	232	38	†	0.79
B	•D	Lord Abbett Developing Growth/Lord Abbett	—*	22.2	none	318	3	8.50	0.87
		Lord Abbett Value Appreciation/Lord Abbett	—*	43.9	1.7	337	13	8.50	0.86
		Lowry Market Timing/Criterion	—*	6.3	0.9	93	–4	8.50	1.38
C	C	Mairs & Power Growth Fund/Mairs & Power	15.6	37.2	1.6	26	31	none	1.04
•D	•B	Mairs & Power Income Fund/Mairs & Power	—*	28.7	4.5	5	48	none	1.27
B	C	Manhattan Fund/Neuberger	17.8	37.3	0.8	288	186	none	1.40‡
C	D	Horace Mann Growth Fund/Mann	14.0	26.7	2.5	84	16	†	0.68
A	B	Mass Capital Development Fund/Mass Finl	24.1	27.1	1.6	1,035	32	7.25	0.71
B	D	Mass Financial Development Fund/Mass Finl	18.3	36.5	1.8	288	25	7.25	0.82
		Mass Financial Emerging Growth/Mass Finl	—*	42.4	none	301	55	7.25	1.36
		Mass Financial Special Fund/Mass Finl	—*	35.4	1.1	129	36	7.25	1.48
B	D	Mass Investors Growth Stock Fund/Mass Finl	14.6	33.4	1.8	1,035	15	7.25	0.50
C	D	Massachusetts Investors Trust/Mass Finl	13.3	36.0	3.0	1,326	20	7.25	0.55
B	B	Mathers Fund/Mathers	18.5	25.4	4.2	163	–14	none	0.74
•A	•C	Medical Technology Fund/AMA	—*	53.6	0.1	98	46	none	1.41‡
F	A	Meeschaert Capital Accumulation/Meeschaert	12.9	32.1	2.5	33	47	4.00b, r	1.45‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. [11]Formerly Istel Fund. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

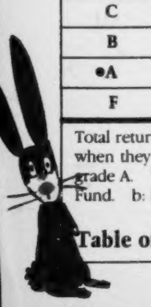

Table of distributors, showing addresses and phone numbers, begins on page 186.

THE KNICKERBOCKER
CHICAGO

A proud history repeats itself.

During the 1920s, The Knickerbocker Hotel proudly began a history of taste and elegance on Chicago's Gold Coast.

Today, its lobby, rooms, restaurants, and services continue in this tradition of grace and charm. Come visit The Knickerbocker...as we carry on our proud history.

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MEMBER PREFERRED HOTELS WORLDWIDE

$10,000 Grew to

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OVER-THE-COUNTER SECURITIES FUND INC.

Over $260 Million in Assets
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For the last three years our Fund has made the coveted Forbes Honor Roll. We are one of only 23 out of 500 rated funds to make last year's Honor Roll.

Over-the-Counter Securities Fund boasts diversification. The portfolio currently contains stocks of more than 350 small growth companies, many of which either occupy a special market niche in their industry, or produce and/or distribute specialty products.

*An investment of $10,000 with dividends and capital gains reinvested in the period from June 1, 1956 (inception) to December 31, 1985 grew to $645,555. Past results are no guarantee of future performance. Please read the Prospectus carefully before you invest or mail money.

For more information, return this ad with name and address to:

Review Management Corporation
Over-the-Counter Securities Fund, Inc.
Suite 325, 510 Pennsylvania Avenue
P.O. Box 1537,
Fort Washington, Pa. 19034-1537

Or dial toll-FREE 1-800-523-2578.
In PA call collect 1-(215) 643-2510.

F-9/8

1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%
		FORBES stock fund composite	16.7%	32.4%	2.2%
		Meridian Fund/Meridian	—*	45.2%	0.6%
C	•B	**Merrill Lynch Basic Value Fund/ML Funds**	—*	28.4	3.3
D	B	**Merrill Lynch Capital Fund/ML Funds**	16.6%	30.7	2.3
		Merrill Lynch Fund for Tomorrow/ML Funds	—*	32.8	0.7
		Merrill Lynch International Holdings/ML Funds	—*	49.6	2.3
		Merrill Lynch Natural Resources Trust/ML Funds	—*	—*	—*
D	•A	**Merrill Lynch Pacific Fund/ML Funds**	—*	73.9	0.4
		Merrill Lynch Retirement Benefit Inv/ML Funds	—*	—*	—*
•B	•D	**Merrill Lynch Special Value/ML Funds**	—*	32.9	0.5
		Mexico Fund/closed end	—*	20.5	7.6
		MFS Managed Sectors Trust/Mass Finl	—*	—*	—*
D	B	**MidAmerica High Growth Fund/MidAmerica**	13.5	22.0	1.5
D	B	**MidAmerica Mutual Fund/MidAmerica**	14.2	22.2	3.2
		Midwest Group-LG Fund for Growth/Leshner	—*	40.0	0.1
		Mimlic Investors Fund I/Mimlic	—*	12.0	2.2
		ML Convertible Securities-Capital[12]/MLPF&S	—*	—*	—*
		ML Convertible Securities-Income[12]/MLPF&S	—*	—*	—*
		Monitrend Mutual Fund/Pallas	—*	20.5	0.6
		Mutual Beacon Fund/Heine Secs	—*	30.4	1.3
D	C	**Mutual Benefit Fund/Mutual Benefit**	13.1	39.4	2.2
D	D	**Mutual of Omaha Growth Fund/Mutual of Omaha**	11.4	34.5	1.3
•D	•A	**Mutual Qualified Income Fund/Heine Secs**	—*	29.7	4.8
C	A+	**Mutual Shares Corp/Heine Secs**	22.4	29.7	3.1
C	C	**National Aviation & Technology/AFA**	14.9	17.7	2.1
C	F	**National Growth Fund/National Secs**	10.1	39.6	1.3
D	D	**National Industries Fund/National Inds**	10.6	27.7	1.7
		National Real Estate Stock Fund/National Secs	—*	33.2	2.4
D	B	**National Stock Fund/National Secs**	14.8	33.4	3.9
		National Telecommunications & Tech/AFA	—*	22.6	1.5
D	B	**Nationwide Fund/Nationwide**	12.3	39.6	2.9
C	B	**Nationwide Growth Fund/Nationwide**	17.5	36.1	2.6
		Nautilus Fund/Eaton Vance	—*	2.4	none
D	A	**NEL Equity Fund/NEL**	16.1	36.6	3.4
A	B	**NEL Growth Fund/NEL**	23.8	38.4	0.7
C	B	**NEL Retirement Equity Fund/NEL**	17.8	44.9	1.5
A	F	**Neuwirth Fund/Alliance**	15.6	42.6	0.2
		New Beginning Growth Fund/Sit	—*	42.6	0.2
		New Economy Fund/American Funds	—*	36.8	0.9
C	B	**New Perspective Fund/American Funds**	17.6	39.7	2.0

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in

Table of distributors, showing addresses and phone numbers, begins on page 186.

Total assets		Maximum	Annual
6/30/86 (millions)	% change '86 vs '85	sales charge	expenses per $100
$18	276%	none	$1.90
824	96	6.50%	0.61
573	56	6.50	0.64
632	161	4.00b	0.98‡
282	41	8.50	1.45
190	—	4.00b	0.95‡
333	165	6.50	1.02
1,861	—	4.00b	1.89‡
115	28	6.50	1.19
74	11	NA	1.99
50	—	4.75	NA‡
13	–1	8.50	0.97
35	7	8.50	0.87
13	171	8.50	2.12‡
6	21	5.00	1.00
298	—	NA	0.72
		NA	
23	632	3.50	2.63‡
63	596	†	1.40
16	33	8.50	1.30
32	55	8.00	1.25
545	77	none	0.70
1,347	74	none	0.67
89	3	8.50	1.14
78	17	7.25	0.91
32	14	none	1.70
12	142	7.75	1.50‡
282	21	7.25	0.85
72	–13	8.50	1.30
370	41	7.50	0.63
167	93	7.50	0.65
21	11	8.50	1.78
31	44	8.00	1.15
313	45	8.00	0.83
102	38	8.00	0.84
32	44	none	1.51
41	108	none	1.50
766	78	8.50	0.72
866	31	8.50	0.73

force. [12]Shareholders of ML Convertible-Capital shares receive all capital gains. Income shareholders receive all income dividends. Assets are combined. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available.

No thrills. No glamour. But what a record!

20.0%
a year since 1975*

Looking for thrills? Try the commodities market. Glamour? Invest in a Broadway play.

But if you're looking for a way to achieve solid growth for your money in the stock market, consider the Bull & Bear Capital Growth Fund.

This diversified fund's share price and return have varied with market conditions in the past, as they will in the future. But note that from 1/1/75 to 3/31/86, the Fund is up a whopping 681.3%…that's 20.0%* a year!

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Capital Growth Fund 1-800-847-4200 ext. 297

Please rush me more complete information about the Bull & Bear Capital Growth Fund, including a Prospectus with performance, charges and expenses. I'll read it carefully before I invest.

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Address__________
City__________
State__________ Zip__________

☐ Please send IRA information.

*Compound annual return between 1/1/75 and 3/31/86. Assumes reinvestment of all capital gains distributions and dividends.

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BULL & BEAR GROUP
11 Hanover Square, New York, NY 10005

The Japan Fund, Inc.

Investment Advisor and Manager: Asia Management Corporation
(affiliate of Scudder, Stevens & Clark Ltd.)

Investment Research Advisor: The Nikko Research Center, Ltd.

The Japan Fund is a diversified closed-end investment company whose policy is to invest at least 80% of its total assets in Japanese securities, primarily common stocks, with the principal objective of capital appreciation. Shares of the Fund are listed on the New York and Pacific Stock Exchanges.

The Fund's total net assets were over $546 million as of August 7, 1986.

For a copy of the most recent report, please write:

The Japan Fund, Inc.
c/o Scudder, Stevens & Clark, Dept. C.B.
345 Park Avenue
New York, New York 10154-0004

1986 Fund Ratings

Stock funds

Performance in UP	in DOWN		Investment results						
			Average annual total return	Latest 12 months		Total assets			
—markets—		Fund/distributor	1976-86	total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
A	C	New York Venture Fund/Venture	22.2%	37.4%	1.7%	$167	32%	8.50%	$1.04
B	D	Newton Growth Fund/Newton	15.9	20.1	2.8	35	–3	none	1.18‡
A	F	Niagara Share Corp/closed end	14.8	23.5	2.2	188	16	NA	1.12
B	A+	Nicholas Fund/Nicholas	25.1	22.2	2.5	1,084	135	none	0.86
		Nicholas II/Nicholas	—*	28.5	1.0	339	333	††	0.86
		Noddings Calamos Convertible-Growth/Noddings	—*	—*	—*	7	—	none	2.00‡
		Noddings Calamos Convertible-Income/Noddings	—*	—*	—*	13	—	none	2.00‡
		Nomura Pacific Basin Fund/Nomura	—*	—*	—*	45	—	none	1.50
		North Star Apollo/North Star	—*	18.6	1.9	24	22	none	1.00
•B	•C	North Star Regional Fund/North Star	—*	49.5	1.9	89	39	none	0.80
D	B	North Star Stock Fund/North Star	15.9	29.2	2.6	72	22	none	0.70
•C	•C	Northeast Investors Growth/Northeast Inv	—*	52.5	0.7	16	206	none	2.00
•D	•C	Nova Fund/Nova	—*	20.0	0.2	27	–5	none	1.50
D	B	Old Dominion Investors' Trust/Investors Secs	13.7	28.6	5.4	6	26	8.50	1.17
B	D	Omega Fund/Omega	14.0	29.8	1.8	37	25	none	1.65‡
B	D	One Hundred Fund/Berger	14.8	45.5	none	13	25	none	2.00‡
A+	D	Oppenheimer AIM Fund/Oppenheimer Inv	19.8	88.5	0.6	379	77	8.50	1.21
		Oppenheimer Challenger Fund/Oppenheimer Inv	—*	51.1	0.5	16	–5	2.50	1.29
•B	•D	Oppenheimer Directors Fund/Oppenheimer Inv	—*	24.0	3.8	285	–16	8.50	0.94
C	B	Oppenheimer Equity Income/Oppenheimer Inv	17.2	28.5	5.0	381	183	8.50	1.03
B	F	Oppenheimer Fund/Oppenheimer Inv	12.1	31.2	1.4	485	7	8.50	1.00
		Oppenheimer Gold & Special Mins/Opp Inv	—*	–6.2	0.4	29	–11	8.50	1.50
F	•A	Oppenheimer Premium Income Fund/Opp Inv	—*	9.8	2.7	418	60	8.50	0.89
		Oppenheimer Regency Fund/Oppenheimer Inv	—*	26.7	1.2	171	16	††	1.13
		Oppenheimer Retirement-Blue Chip/Opp Inv	—*	31.0	2.1	10	110	8.50	1.50
B	B	Oppenheimer Special Fund/Oppenheimer Inv	19.3	22.9	2.6	773	–7	8.50	0.94
		Oppenheimer Target Fund/Oppenheimer Inv	—*	47.4	1.6	145	8	8.50	1.17
A	C	Oppenheimer Time Fund/Oppenheimer Inv	22.3	46.6	1.5	300	35	8.50	0.95
B	A	Over-the-Counter Securities Fund/Review	24.5	35.2	0.3	263	130	8.00	1.25
		P-C Capital Fund/Phoenix	—*	26.8	4.2	6	3	†	1.30
		Pacific Horizon-Aggressive Growth/Dreyfus	—*	57.4	0.3	102	719	none	1.50‡
		PaineWebber America Fund/PaineWebber	—*	27.5	5.3	95	80	8.50	1.27
		PaineWebber Atlas Fund/PaineWebber	—*	73.9	0.6	218	167	8.50	1.38
		PaineWebber Olympus Fund/PaineWebber	—*	39.0	1.0	126	272	8.50	1.36
B	A	Partners Fund/Neuberger	21.8	33.1	3.2	431	94	none	0.93‡
•D	•C	Pax World Fund/Pax World	—*	27.9	3.7	49	99	none	1.40‡
		PBHG Growth Fund/Tenneco	—*	—*	—*	17	—	7.50	1.50
D	C	Penn Square Mutual Fund/Penn Square	14.2	29.6	3.6	213	16	none	0.74
B	A	Pennsylvania Mutual Fund/Penn Mutual	23.3	29.3	1.6	400	37	†	1.03

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only, maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ††Fund selling new shares only for IRA and Keogh plans. ‡Fund has 12b-1 plan (hidden load) pending or in force. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Stock funds

Performance			Investment results						
in UP —markets—	in DOWN —markets—	Fund/distributor	Average annual total return 1976-86	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
				total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85		
		Standard & Poor's 500 stock average	**14.7%**	**35.8%**	**3.2%**				
		Forbes stock fund composite	**16.7%**	**32.4%**	**2.2%**				
		Permanent Portfolio Fund/Permanent	—*	17.4%	none	$71	0%	none	$0.90‡
B	D	**Petroleum & Resources Corp/closed end**	13.4%	8.1	5.6%	231	0	NA	0.62
C	C	**Philadelphia Fund/Universal**	15.1	25.0	2.1	119	10	8.50%	0.90
D	A	**Phoenix Convertible Fund/Phoenix**	16.4	26.0	5.1	97	39	8.50	0.80
		Phoenix Growth Fund/Phoenix	—*	35.3	3.1	220	110	8.50	0.69
		Phoenix Stock Fund/Phoenix	—*	33.6	2.7	94	45	8.50	0.85
D	B	**Pilgrim Magna Cap Fund/Pilgrim**	17.0	39.7	2.7	188	185	7.25	1.30‡
		Pilgrim Regional Bankshares/closed end	—*	—*	—*	107	—	NA	NA
C	D	**Pilot Fund/Criterion**	14.2	17.5	none	74	6	8.50	1.20‡
C	C	**Pine Street Fund/Alliance**	14.5	29.5	3.8	66	26	none	1.17‡
C	C	**Pioneer Fund/Pioneer**	15.2	24.2	3.1	1,461	1	8.50	0.68
B	A	**Pioneer II/Pioneer**	21.3	26.2	2.7	2,892	58	8.50	0.71
		Pioneer Three/Pioneer	—*	30.3	2.0	573	62	8.50	0.75
		T Rowe Price Equity Income Fund/Price	—*	—*	—*	66	—	none	1.00
		T Rowe Price Growth & Income Fund/Price	—*	22.1	4.0	400	13	none	0.94
C	D	**T Rowe Price Growth Stock Fund/Price**	11.0	40.2	1.9	1,366	29	none	0.52
•C	•F	**T Rowe Price International Fund/Price**	—*	77.0	0.9	625	168	none	1.10
		T Rowe Price New America Growth Fund/Price	—*	—*	—*	98	—	none	1.00
A	D	**T Rowe Price New Era Fund/Price**	16.2	25.9	2.5	532	5	none	0.73
A	D	**T Rowe Price New Horizons Fund/Price**	18.9	26.7	0.5	1,517	1	none	0.72
		Principal Preservation-S&P 100 Plus/Ziegler	—*	—*	—*	8	—	6.50	1.10‡
		Prudential-Bache Equity Fund/Pru-Bache	—*	34.7	0.6	283	351	5.00b	1.27‡
		Prudential-Bache Global Fund/Pru-Bache	—*	71.4	0.1	301	NM	5.00b	1.71‡
		Prudential-Bache Growth Opportunity/Pru-Bache	—*	34.6	0.2	102	62	5.00b	1.29‡
		Prudential-Bache IncomeVertible/Pru-Bache	—*	—*	—*	264	—	5.00b	2.11‡
		Prudential-Bache Option Growth Fund/Pru-Bache	—*	24.6	1.8	74	50	5.00b	1.37‡
		Prudential-Bache Research Fund/Pru-Bache	—*	47.8	1.4	190	22	5.00b	1.85‡
		Prudential-Bache Utility Fund/Pru-Bache	—*	32.0	5.3	836	335	5.00b	1.13‡
		Putnam Capital Fund/Putnam	—*	40.9	0.6	14	24	†	1.18
D	A	**Putnam Convertible Income-Growth/Putnam**	17.5	28.3	5.5	643	349	8.50	1.01
•F	•D	**Putnam Energy-Resources Trust/Putnam**	—*	1.2	2.4	32	–5	8.50	1.48
C	B	**Putnam Fund for Growth & Income/Putnam**	17.2	34.5	4.3	1,134	30	8.50	0.55
		Putnam Health Sciences Trust/Putnam	—*	46.0	1.0	301	18	8.50	0.99
		Putnam Information Sciences Trust/Putnam	—*	25.8	0.5	146	–15	8.50	1.10
C	B	**Putnam International Equities Fund/Putnam**	19.9	77.5	0.5	322	460	8.50	1.49
B	D	**Putnam Investors Fund/Putnam**	15.9	34.4	1.6	1,160	1	8.50	0.51
F	•B	**Putnam Option Income Trust/Putnam**	—*	19.0	2.6	1,202	5	†	0.77
		Putnam Option Income Trust II/Putnam	—*	15.3	3.4	948	782	8.50	NA
B	B	**Putnam Vista Basic Value/Putnam**	19.5	32.0	2.8	211	20	8.50	1.03

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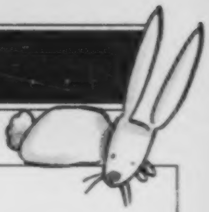
Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings



Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
A	C	**Putnam Voyager Fund/Putnam**	20.9%	46.2%	0.6%	$424	50%	8.50%	$1.02
A+	C	**Quasar Associates/Alliance**	25.1	54.2	0.1	205	181	†	1.20
•B	•A	**Quest for Value Fund/Oppenheimer Cap**	—*	32.2	0.7	74	140	none	2.18
		Reich & Tang Equity Fund/Reich & Tang	—*	36.3	2.5	104	240	none	0.99‡
		Reserve Equity-Dreman Contrarian/Resrv	—*	34.0	2.9	22	288	none	1.00‡
		Rightime Fund/Rightime	—*	—*	—*	126	—	none	1.66‡
		Rochester Tax Managed Fund/Rochester	—*	16.2	none	33	26	8.50	1.69‡
		Royce Fund-Value/Quest	—*	26.1	0.4	161	84	1.00b	2.13‡
		RPF of America-Equity Fund/Venture	—*	31.7	0.5	13	145	5.00r	1.46‡
C	C	**Safeco Equity Fund/Safeco**	15.9	36.5	2.9	60	71	none	0.68
B	B	**Safeco Growth Fund/Safeco**	18.3	19.5	2.4	80	12	none	0.63
D	A	**Safeco Income Fund/Safeco**	15.4	31.4	4.5	93	223	none	0.73
		SBSF Fund/Reich & Tang	—*	27.7	2.2	93	112	none	1.40‡
		Scandinavia Fund/closed end	—*	—*	—*	59	—	NA	NA
		Sci/Tech Holdings/ML Funds	—*	41.3	0.9	307	–4	8.50	1.39
A	D	**Scudder Capital Growth Fund/Scudder**	18.6	34.8	1.2	498	58	none	0.87
B	B	**Scudder Development Fund/Scudder**	21.7	30.1	0.7	359	41	none	1.30
B	D	**Scudder Growth & Income Fund/Scudder**	14.8	33.8	4.1	394	41	none	0.84
C	B	**Scudder International Fund/Scudder**	17.1	69.0	1.3	640	134	none	0.99
		Second Fiduciary Exchange Fund/‡‡	—*	27.8	2.0	73	16	none	0.76
		Security Action Fund/Security	—*	33.1	2.4	76	134	8.50	0.90
A	D	**Security Equity Fund/Security**	16.9	33.3	3.7	267	7	8.50	0.70
D	C	**Security Investment Fund/Security**	13.8	20.6	5.7	108	2	8.50	0.79
		Security Omni Fund/Security	—*	—*	—*	27	—	8.50	NA
A	D	**Security Ultra Fund/Security**	20.7	28.4	4.6	119	7	8.50	0.82
D	B	**Selected American Shares/Prescott, Ball**	15.1	36.6	3.3	154	52	none	0.87‡
C	D	**Selected Special Shares/Prescott, Ball**	11.3	24.0	3.1	38	10	none	1.23‡
A	D	**Seligman Capital Fund/Seligman**	21.5	38.0	none	222	12	8.50	0.82
B	C	**Seligman Common Stock Fund/Seligman**	17.0	41.3	3.2	579	31	7.25	0.58
		Seligman Communications & Info/Seligman	—*	42.7	none	52	4	8.50	1.39
B	D	**Seligman Growth Fund/Seligman**	14.4	40.2	1.4	743	18	7.25	0.59
D	A	**Sentinel Common Stock Fund/Equity Services**	17.4	40.0	3.4	513	33	8.50	0.65
A	D	**Sentinel Growth Fund/Equity Services**	17.2	38.0	1.8	60	36	8.50	0.79
B	C	**Sentry Fund/Sentry**	16.8	42.0	2.3	46	37	8.00	0.71
D	A+	**Sequoia Fund/Ruane Cunniff**	23.8	23.7	3.3	710	24	†	1.00
		Shearson Aggressive Growth Fund/Shearson	—*	47.2	none	130	15	5.00	1.20
B	B	**Shearson Appreciation Fund/Shearson**	20.7	40.0	none	279	87	5.00	1.10
		Shearson Fundamental Value Fund/Shearson	—*	12.3	2.6	119	11	5.00	1.20
		Shearson Global Opportunities/Shearson	—*	64.2	0.2	295	305	5.00	1.30

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. b: Includes redemption fee that reverts to distributor. r:Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
		Shearson Lehman-Equity Growth/Shearson	—*	—*	—*	$123	—	5.00%b	$2.00‡
		Shearson Lehman-Equity Plus/Shearson	—*	—*	—*	28	—	5.00b	2.50‡
		Shearson Lehman-International Equity/Shearson	—*	—*	—*	166	—	5.00b	1.50‡
		Shearson Lehman-Option Income/Shearson	—*	—*	—*	469	—	5.00b	1.84‡
C	C	**Sherman, Dean Fund/Sherman, Dean**	4.9%	–21.3%	0.7%	2	–44%	none	2.36‡
D	D	**Sierra Growth Fund/Sierra**	8.8	–80.7	none	5[13]	–19	none	1.98
B	B	**Sigma Capital Shares/Sigma**	20.9	37.9	1.4	102	88	8.50	1.01‡
D	B	**Sigma Investment Shares/Sigma**	15.4	39.2	2.8	84	31	8.50	1.02‡
B	C	**Sigma Special Fund/Sigma**	16.7	37.1	1.3	21	27	8.50	1.32‡
A	B	**Sigma Venture Shares/Sigma**	23.7	32.7	1.0	93	36	8.50	0.95‡
		Sigma World Fund/Sigma	—*	58.8	none	7	NM	8.50	2.00‡
B	C	**Smith Barney Equity Fund/Smith Barney**	16.7	36.0	2.5	80	28	none	0.88‡
D	A	**Smith Barney-Income & Growth/Smith Barney**	17.6	25.2	5.7	263	449	5.75	0.74
C	A	**Sogen International Fund/Sogen**	19.1	39.4	3.5	60	29	4.25	1.39‡
		Sound Shore Fund/Reich & Tang	—*	38.1	1.0	20	827	none	1.48‡
C	A+	**Source Capital/closed end**	22.9	24.1	4.1	300	10	NA	0.97
D	A	**Sovereign Investors/Sovereign**	16.5	40.8	3.8	32	58	5.00	1.00
A+	D	**Spectra Fund/closed end**	22.4	48.0	none	7	35	NA	2.70
C	D	**State Bond Common Stock Fund/State Bond**	10.9	40.0	1.5	35	15	8.50	1.09
D	C	**State Bond Diversified Fund/State Bond**	12.7	34.6	3.3	16	32	8.50	0.91
B	D	**State Bond Progress Fund/State Bond**	14.9	44.0	1.2	9	23	8.50	1.11
		State Street Exchange Fund/‡‡	—*	35.1	1.7	160	23	none	0.63
		State Street Growth Fund/‡‡	—*	32.2	2.4	280	18	1.00r	0.57
C	C	**State Street Investment Corp/State Street**	15.0	28.2	2.6	590	19	1.00† b	0.50
D	F	**Steadman American Industry Fund/Steadman**	4.1	13.6	none	8	–10	none	5.03‡
F	B	**Steadman Associated Fund/Steadman**	9.2	41.4	none	26	17	none	2.85‡
F	D	**Steadman Investment Fund/Steadman**	5.2	2.9	0.9	9	–13	none	5.15‡
D	F	**Steadman Oceanographic Technology/Steadman**	5.0	16.2	none	6	2	none	5.30‡
A+	D	**Stein Roe & Farnham Capital Opp/Stein Roe**	19.7	41.9	0.6	219	15	none	0.95
A	F	**Stein Roe & Farnham Stock Fund/Stein Roe**	14.3	32.5	1.3	256	13	none	0.67
		SteinRoe Discovery Fund/Stein Roe	—*	35.3	0.3	133	37	none	1.25
•A	•C	**SteinRoe Special Fund/Stein Roe**	—	31.7	1.6	349	33	none	0.92
•A	•D	**SteinRoe Universe Fund/Stein Roe**	—*	36.9	1.1	115	–2	none	1.18
		Strategic Capital Gains/Strategic	—*	15.9	none	8	–1	8.50	1.39
A	•F	**Strategic Investments Fund/Strategic**	—*	–38.0	9.0	62	–53	8.50	1.20
		Strategic Silver Fund/Strategic	—*	–23.0	0.1	16	95	8.50	1.12
C	C	**Stratton Growth Fund/Stratton**	16.1	29.3	2.1	19	30	none	1.49
D	A+	**Stratton Monthly Dividend Shares/Stratton**	15.4	27.7	7.3	34	109	none	1.49
		Strong Opportunity Fund/Strong	—*	—*	—*	17	—	2.00	NA

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Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		FORBES stock fund composite	16.7%	32.4%	2.2%				
		Summit Investor's Fund/AIM Distributor	—*	33.0%	0.7%	$62	147%	**	$1.48
		Sunbelt Growth Fund/Criterion	—*	21.1	0.7	93	–35	8.50%	1.22‡
B	D	**Surveyor Fund/Alliance**	15.5%	45.2	0.6	107	28	8.50	1.24
B	D	**Technology Fund/Kemper**	15.9	29.6	1.8	632	–6	8.50	0.60
		Templeton Foreign Fund/Securities Fund	—*	39.4	2.2	179	108	8.50	0.90
		Templeton Global I/Securities Fund	—*	32.5	1.9	322	21	†	0.83
		Templeton Global II/Securities Fund	—*	29.2	1.7	522	92	8.50	1.00
C	A	**Templeton Growth Fund/Securities Fund**	19.6	29.4	1.7	1,782	60	8.50	0.73
C	•B	**Templeton World Fund/Securities Fund**	—*	30.7	2.6	3,204	45	8.50	0.71
		Thomson McKinnon Growth Fund/Thomson	—*	37.3	2.9	190	175	5.00b	1.70‡
		Thomson McKinnon Opportunity Fund/Thomson	—*	33.7	none	66	92	5.00b	1.80‡
C	C	**Transatlantic Fund/Transatlantic**	15.1	91.7	none	85	196	none	1.94‡
B	D	**Tri-Continental Corp/closed end**	15.6	45.3	2.9	1,460	36	NA	0.55
A	B	**Tudor Fund/Weiss, Peck**	23.1	37.6	0.4	191	47	none	0.95
		20th Century Giftrust Investors/20th Century	—*	61.3	none	7	119	0.50r	1.01
A+	C	**20th Century Growth Investors/20th Century**	28.2	48.5	0.9	1,051	33	none	1.01
A+	B	**20th Century Select Investors/20th Century**	29.6	44.0	1.4	1,987	85	none	1.01
		20th Century Ultra Investors/20th Century	—*	33.7	0.1	410	–11	0.50r	1.01
		20th Century Vista Investors/20th Century	—*	58.3	none	169	42	0.50r	1.01
		UMB Stock Fund/Jones & Babson	—*	24.1	5.5	32	70	none	0.88
		Unified Growth Fund/Unified	—*	30.4	1.4	27	57	none	1.00
D	C	**Unified Mutual Shares Fund/Unified**	13.9	28.7	3.1	20	59	none	1.11
C	C	**United Accumulative Fund/Waddell & Reed**	17.0	32.2	3.6	735	27	8.50	0.63‡
C	B	**United Income Fund/Waddell & Reed**	15.7	41.7	2.8	844	40	8.50	0.66‡
C	B	**United International Growth/Waddell & Reed**	17.2	52.6	1.8	189	75	8.50	1.11‡
		United New Concepts Fund/Waddell & Reed	—*	49.0	1.0	60	96	8.50	1.47
B	D	**United Science & Energy Fund/Waddell & Reed**	14.2	35.0	2.8	196	19	8.50	0.88‡
A	C	**United Services-Gold Shares/United Services**	18.4	–33.9	7.8	215	–45	none	1.26
		United Services-Good & Bad/United Services	—*	27.7	0.9	33	–10	none	1.31
		United Services-Growth/United Services	—*	30.9	0.6	12	–6	none	1.51
		United Services-New Prospector/United Services	—*	—*	—*	27	—	2.00b, r	0.08
		United Services-Prospector/United Services	—*	–1.9	none	61	–20	2.00† b, r	1.53
		US Boston Investment-Boston I/US Boston	—*	33.0	0.9	19	589	1.00b	NA‡
B	B	**US Trend Fund[14]/Tenneco**	19.9	23.5	1.5	89	18	7.50	0.99
B	B	**United Vanguard Fund/Waddell & Reed**	22.1	31.7	2.7	525	28	8.50	1.05‡
		USAA Investment Trust-Cornerstone/USAA	—*	21.8	2.4	22	72	none	1.50
		USAA Investment Trust-Gold Fund/USAA	—*	–21.0	2.0	18	22	none	1.50
•B	•D	**USAA Mutual-Growth Fund/USAA**	—*	28.8	1.5	202	29	none	1.07
		USAA Mutual-Sunbelt Era Fund/USAA	—*	30.2	0.5	157	19	none	1.13

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. **Available only through monthly contractual plan. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. [14]Formerly Plitrend Fund. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes stock fund composite	16.7%	32.4%	2.2%				
F	A+	**Valley Forge Fund/Valley Forge**	17.0%	7.0%	4.4%	$10	–5%	1.00%r	$1.40
		Value Line Convertible Fund/Value Line	—*	30.8	2.7	58	NM	none	1.31
B	B	**Value Line Fund/Value Line**	18.9	40.8	1.1	272	35	none	0.81
D	A	**Value Line Income Fund/Value Line**	17.7	29.2	6.2	159	21	none	0.83
B	A	**Value Line Leveraged Growth/Value Line**	24.3	39.0	1.2	306	32	none	0.80
A	B	**Value Line Special Situations/Value Line**	18.7	33.6	0.2	266	4	none	1.07
		Vance, Sanders Exchange Fund/‡‡	14.1	28.5	2.1	163	14	none	0.68
C	A	**Vance, Sanders Special Fund/Eaton Vance**	18.0	14.7	0.4	108	–7	8.50	0.96
A	B	**Vanguard Explorer Fund/Vanguard**	20.4	17.3	0.9	360	3	†	0.69
		Vanguard Explorer Fund II/Vanguard	—*	16.8	0.3	42	NM	none	1.06
		Vanguard Gemini II Capital[15]/Vanguard	—*	43.8	none	263	22	NA	0.68
		Vanguard Gemini II Income[15]/Vanguard	—*	13.5	13.9			NA	
C	D	**Vanguard Index Trust/Vanguard**	13.6	35.1	3.3	492	26	none	0.28
B	C	**Vanguard WL Morgan Growth Fund/Vanguard**	16.8	32.2	1.6	769	33	none	0.60
B	C	**Vanguard Naess & Thomas Special/Vanguard**	15.3	29.0	none	42	10	none	0.80
		Vanguard PrimeCap Fund/Vanguard	—*	38.5	0.6	102	375	none	0.98
D	A+	**Vanguard Qualified Dividend Port I/Vanguard**	21.8	27.1	6.9	180	14	†	0.48
		Vanguard Spec-Energy/Vanguard	—*	2.4	4.5	9	431	1.00r	0.92
		Vanguard Spec-Gold & Prec Metals/Vanguard	—*	–9.2	3.2	26	40	1.00r	0.73
		Vanguard Spec-Health Care/Vanguard	—*	43.1	0.7	51	393	1.00r	0.83
		Vanguard Spec-Service Economy/Vanguard	—*	38.0	0.8	82	310	1.00r	0.57
		Vanguard Spec-Technology/Vanguard	—*	21.8	0.6	17	174	1.00r	0.72
		Vanguard Trustees' Commingled-Intl/Vanguard	—*	59.5	2.6	650	46	none	0.56
•C	•C	**Vanguard Trustees' Commingled-US/Vanguard**	—*	22.0	3.8	198	–30	none	0.48
C	A	**Vanguard Windsor Fund/Vanguard**	20.4	29.8	4.7	4,836	29	†	0.51
		Vanguard Windsor II/Vanguard	—*	33.1	2.4	665	NM	none	0.76
		Vanguard World-International Growth/Vanguard	—*	—*	—*	352	—	none	0.90
		Vanguard World-US Growth/Vanguard	—*	—*	—*	185	—	none	0.83
D	B	**Variable Stock Fund/Variable**	13.3	25.7	2.4	9	16	none	1.22
		Viking Equity Index Fund-General/Fairfield	—*	29.5	1.7	5	206	none	0.95
C	D	**Wall Street Fund/Wall Street**	11.5	32.6	0.6	11	59	5.50	1.95
		Warburg International Fund/Reich & Tang	—*	—*	—*	10	—	none	1.38‡
D	A	**Washington Mutual Investors/American Funds**	17.7	36.4	3.9	1,477	97	8.50	0.52
A+	C	**Weingarten Equity Fund/AIM**	27.2	46.5	0.7	225	38	none	1.00
		Westergaard Fund/Ladenburg	—*	18.8	1.6	21	–11	8.50	2.25‡
		World of Technology/Financial Prog	—*	40.3	none	10	33	none	1.50
A	D	**WPG Fund/Weiss, Peck**	18.1	34.4	3.2	50	29	none	1.21
		WPG Growth Fund/Weiss, Peck	—*	—*	—*	25	—	none	NA
		Z-Seven Fund/closed end	—*	56.7	none	25	52	NA	4.51

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. ‡‡Exchange fund, not currently selling new shares. [15] Shareholders of Vanguard Gemini II Capital shares receive all capital gains. Income shareholders receive all income dividends. Assets are combined. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 186.

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Balanced funds

Balanced funds mix stocks and bonds or buy a lot of convertible bonds, which are themselves a stock-bond hybrid. Forbes classifies a fund as balanced if stocks consistently make up between 20% and 80% of the fund's assets (exclusive of cash). These funds tend to outperform pure stock funds in bear markets and underperform them in bull markets. They are graded against one another separately from the stock funds but according to a similar system: Separate grades are awarded for a fund's average performance in up markets and for performance in down markets. The definition of up and down periods is the same as that used for stock funds and is shown in the chart on page 112. To obtain information about a fund, call or write the distributor listed next to the fund's name. Distributor addresses and phone numbers are listed in the tables that begin on page 186.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%
		Forbes balanced fund composite	14.4%	26.8%	6.1%
		Advantage Income Fund/Advest	—*	—*	—*
C	B	American Balanced Fund/American Funds	13.8%	28.5%	5.4%
A	B	American Capital Convertible Secs/closed end	20.0	29.6	5.7
A	D	American Capital Harbor Fund/American Cap	17.3	27.7	5.5
B	D	Axe-Houghton Fund B/Axe-Houghton	14.4	40.1	5.0
A	D	Bancroft Convertible Fund/closed end	14.6	25.1	5.5
C	C	Bullock Balanced Shares/Bullock	13.9	36.8	4.5
		Calvert Social Invest-Managed Growth/Calvert	—*	32.8	3.1
C	A	Castle Convertible Fund/closed end	15.9	5.0	8.8
		Clipper Fund/Pacific	—*	28.2	20.0
		Colonial Advanced Strategies Gold Trust/Colonial	—*	6.3	0.3
B	F	Colonial Fund/Colonial	13.7	33.8	4.7
C	D	Commerce Income Shares/Criterion	12.8	19.1	3.2
C	D	Composite Bond & Stock Fund/Murphey Favre	12.4	20.2	6.5
		Connecticut Mutual-Income/Conn Mutual	—*	—*	—*
•D	•D	Convertible Yield Secs/AIM Distributor	—*	23.9	5.3
•F	•A	Country Capital Income Fund/Country Capital	—*	20.1	7.4
B	D	Dodge & Cox Balanced Fund/Dodge & Cox	13.7	32.5	4.9
C	C	Dreyfus Convertible Securities Fund[1]/Dreyfus	13.7	37.3	6.2
F	B	Eaton Vance Income Fund of Boston/Eaton Vance	12.2	20.3	10.1
B	C	Eaton Vance Investors Fund/Eaton Vance	14.5	21.9	6.1
D	B	Federated Stock & Bond Fund/Federated	13.6	20.5	5.7
		First Australia Fund/closed end	—*	—*	—*
C	A	Franklin Custodian-Income/Franklin	16.5	9.8	10.0
•B	•B	GPM Fund/Trusteed	—*	30.6	3.0

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. [1]Formerly Dreyfus Special Income Fund. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/86 (millions)	% change '86 vs '85		
$26	—	4.00%b	$2.76‡
166	24%	8.50	0.70
92	18	NA	0.79
262	34	8.50	0.63
191	24	none	0.74‡
61	17	NA	1.24
73	74	8.50	1.15
75	247	4.50	1.27‡
62	89	NA	1.36
64	326	2.00r	1.50
20	748	6.75	1.25‡
155	51	6.75	1.12
70	21	8.50	1.06‡
74	105	4.00	1.96‡
13	—	6.25	1.26
22	0	6.50	1.48
5	21	5.00	1.36
28	26	none	0.75
158	51	none	0.85
43	10	6.75	1.18
235	8	8.50	0.86
64	133	none	1.30
59	—	NA	2.90
186	82	4.00	0.72
6	24	none	1.50

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1986 Fund Ratings

Balanced funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.7%	35.8%	3.2%				
		Forbes balanced fund composite	14.4%	26.8%	6.1%				
		Idex Fund II/Idex	—*	—*	—*	$ 6	—	8.50%	NA
C	C	IDS Mutual/IDS	13.3%	27.9%	6.8%	1,305	16%	5.00	$0.57‡
D	B	Income Fund of America/American Funds	14.9	21.3	6.9	557	52	8.50	0.60
		Industrial Series-Option Income/Mackenzie	—*	—*	—*	35	—	8.50	1.78‡
A+	D	Kemper Total Return Fund/Kemper	18.3	32.5	4.4	579	84	8.50	0.73
D	C	Keystone Custodian K-1/Keystone	12.7	24.1	5.3	419	44	4.00r	0.86‡
B	D	Loomis-Sayles Mutual Fund/NEL	—*	46.3	3.7	173	67	none	0.86
C	B	Mass Financial Total Return Trust[2]/Mass Financial	14.9	32.7	5.3	310	38	7.25	0.73
D	•B	Merrill Lynch Equi-Bond I Fund/ML Funds	—*	22.3	4.4	17	8	4.00	1.50
		Merrill Lynch Phoenix Fund/ML Funds	—*	31.2	5.2	123	24	6.50	1.20
F	A	Mutual of Omaha Income Fund/Mutual of Omaha	10.5	21.1	8.6	100	62	8.00	0.80
B	A+	National Total Income Fund[3]/National Secs	17.3	38.8	6.2	78	31	7.25	0.90
A	C	National Total Return Fund/National Secs	17.6	31.1	4.9	260	56	7.25	0.88
		Phoenix Balanced Fund/Phoenix	—*	35.2	4.9	140	72	8.50	0.72
D	A	Provident Fund for Income/American Cap	14.0	21.6	6.0	109	8	7.25	0.72
B	C	George Putnam Fund of Boston/Putnam	14.1	31.8	5.9	369	21	8.50	0.62
		Rea-Graham Fund/Rea-Graham	—*	23.2	3.3	39	139	8.50	1.50
D	B	Seligman Income Fund/Seligman	13.9	24.5	8.2	132	40	4.75	0.77
D	B	Sentinel Balanced Fund/Equity Services	14.5	28.0	5.2	36	118	8.50	0.72
D	B	Sigma Trust Shares/Sigma	13.8	26.9	5.3	39	27	8.50	0.99‡
A	F	SteinRoe Total Return Fund/Stein Roe	11.5	26.9	5.0	149	33	none	0.77
		Strong Investment Fund/Strong	—*	30.7	5.4	315	55	1.00	1.10
		Strong Total Return Fund/Strong	—*	40.7	5.7	447	141	1.00	1.10
		Unified Income Fund/Unified	—*	14.3	8.0	13	47	none	1.22
A	C	United Continental Income Fund/Waddell & Reed	16.8	39.0	4.2	215	167	8.50	0.83‡
		United Gold & Government/Waddell & Reed	—*	—*	—*	6	—	8.50	1.50
		Vanguard Star Fund/Vanguard	—*	22.2	5.6	389	984	none	NA
D	A	Vanguard Wellesley Income Fund/Vanguard	14.0	24.2	8.3	338	117	none	0.60
B	D	Vanguard Wellington Fund/Vanguard	14.7	29.0	6.0	1,027	43	none	0.55
		World Trends Fund/Van Eck	—*	—*	—*	43	—	7.50	1.39‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. [2] Formerly Mass Income Development Fund. [3] Formerly National Income Fund. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

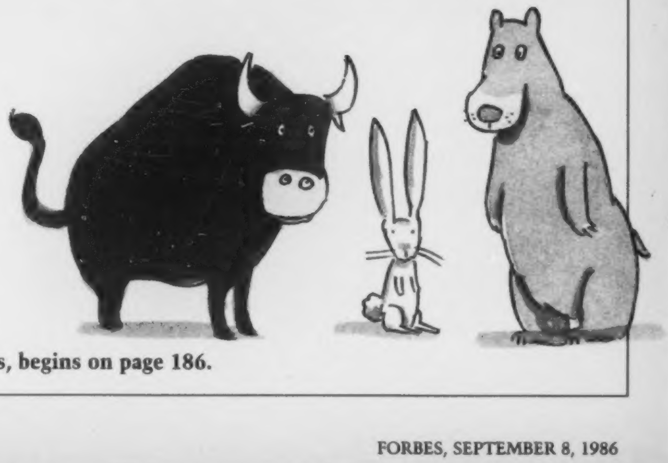
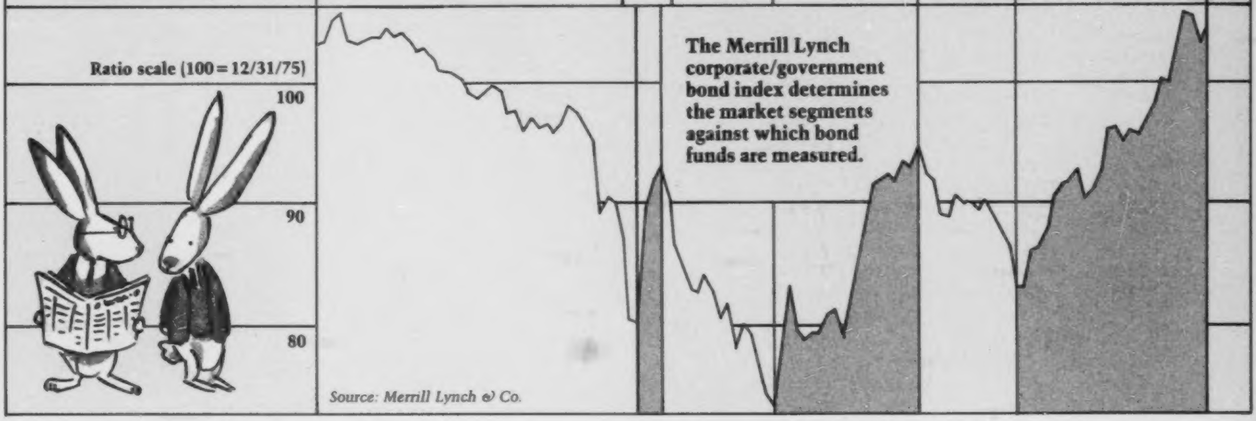


Table of distributors, showing addresses and phone numbers, begins on page 186.

Bond & preferred stock

The funds listed below buy government bonds, corporate bonds and, in some cases, preferred stocks. We rate the bond funds according to their performance in the three up and three down market periods shown in the chart below. As with stock funds, our rating of bond funds aims to reward consistency of performance as much as end results. For more on the rating system, see the mutual fund buyer's guide on page 104. Preferred stock funds are included in the listing below if they are open to individuals, but they are not rated. (Since preferreds offer tax advantages to corporate holders, they are, for the most part, inappropriate for individuals, even in IRA accounts.) To obtain information about a fund, call or write the distributor listed next to the fund's name, using the distributor addresses and phone numbers from the table beginning on page 186. Closed-end funds, however, are not distributed, since they do not issue additional shares to new buyers. Closed-ends are bought from brokers like shares of GM or IBM. There have been times in the past when closed-end bond funds were good buys because their shares were available at a discount to the value of the underlying net assets. Nowadays, however, closed-ends trade at close to or even more than net asset value, and therefore don't offer advantages over the open-end funds.

Rising markets		3/31/80 to 6/30/80		9/30/81 to 4/30/83		5/31/84 to 6/30/86
Declining markets	9/30/76 to 3/31/80		6/30/80 to 9/30/81		4/30/83 to 5/31/84	
Percent change	–22%	+15%	–20%	+27%	–12%	+26%



The Merrill Lynch corporate/government bond index determines the market segments against which bond funds are measured.

Source: Merrill Lynch & Co.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Merrill Lynch govt/corporate bond index	10.6%	20.8%	9.9%				
		Forbes bond and preferred stock composite	10.4%	17.6%	10.2%				
		Advantage Government Securities Fund/Advest	—*	—*	—*	$130	—	4.00%b	$1.99‡
		Alliance Bond Fund-High-Grade/Alliance	—*	14.8%	8.6%	6	–11%	5.50	1.01‡
		Alliance Bond Fund-High-Yield/Alliance	—*	21.5	13.7	240	569	5.50	1.08‡
		Alliance Bond Fund-US Government/Alliance	—*	—*	—*	129	—	5.50	0.38‡
		Alliance Mortgage Secs Income Fund/Alliance	—*	11.1	12.1	726	82	5.50	0.87‡
D	C	**AMA Income Fund[1]/AMA**	9.0%	17.8	8.2	20	0	none	1.39‡
A	C	**American Capital Bond Fund/closed end**	11.2	25.2	9.4	238	17	NA	0.67
B	D	**American Capital Corp Bond Fund/American Cap**	9.7	19.5	11.2	111	17	8.50	0.76

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Bond funds are rated only if in operation since 6/30/80. [1] Formerly PRO Income Fund. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

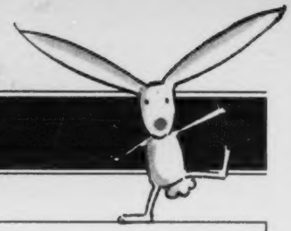
1986 Fund Ratings

Bond & preferred stock

Performance			Investment results						
in UP markets	in DOWN markets	Fund/distributor	Average annual total return 1976-86	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
				total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85		
		Merrill Lynch govt/corporate bond index	10.6%	20.8%	9.9%				
		Forbes bond and preferred stock composite	10.4%	17.6%	10.2%				
		American Capital Federal Mortgage/American Cap	—*	—*	—*	$ 24	—	6.75%	$0.09‡
		American Capital Govt Secs/American Cap	—*	13.9%	9.4%	7,161	223%	6.75	0.67‡
		American Capital High Yield Inv/American Cap	—*	21.4	12.0	543	16	6.75	0.70
		American Funds Inc-US Govt Guar/American Funds	—*	—*	—*	138	—	4.75	1.00‡
D	A+	American Investors Income/American Invest	10.8%	14.6	12.1	23	16	none	1.40‡
F	•A	American National Bond Fund/Securities Mgmt	—*	14.1	9.2	8	53	5.00	1.00
B	D	AMEV Securities[2]/closed end	9.6	17.5	10.0	111	8	NA	0.89
C	B	AMEV US Govt Secs Fund/AMEV Investors	10.0	17.0	10.3	45	200	4.50	1.13
A	B	Axe-Houghton Income Fund/Axe-Houghton	11.5	25.3	9.0	46	22	none	1.04‡
D	B	Babson Bond Trust/Jones & Babson	9.7	18.4	9.8	62	30	none	0.98
		Bartlett Capital Trust-Fixed Income/Bartlett	—*	—*	—*	14	—	none	1.00‡
		Benham Government Income-GNMA/Benham	—*	—*	—*	213	—	none	0.29
		Benham Target Maturities Trust-1990/Benham	—*	26.5	2.9	5	317	none	0.53
		BLC Government Securities Income Fund/Princor	—*	—*	—*	44	—	5.50	0.60
B	B	Bond Fund of America/American Funds	11.4	22.6	9.8	530	31	8.50	0.61
		Boston Co GNMA Fund/Boston Co	—*	—*	—*	8	—	none	0.80‡
		Boston Co Managed Income Fund/Boston Co	—*	20.9	11.2	29	215	none	1.48‡
		Bull & Bear High Yield Fund/Bull & Bear	—*	17.7	12.7	114	239	none	1.33‡
		Bull & Bear US Govt Guaranteed Secs/Bull & Bear	—*	—*	—*	9	—	none	NA‡
		Bullock High Income Shares/Bullock	—*	14.9	13.5	188	63	7.25	0.94
B	•F	Bullock Monthly Income Shares/Bullock	—*	17.7	10.1	44	6	8.50	1.15
		Bullock US Government Income Shares/Bullock	—*	8.9	10.9	67	468	5.00	0.68‡
B	D	Bunker Hill Income Securities/closed end	10.0	20.4	11.9	46	7	NA	0.90
		Calvert Fund-Income/Calvert	—*	22.1	9.2	21	74	none	0.85‡
		Capital Preservation Treasury Note/Benham	—*	21.2	9.6	28	82	none	1.00
		Cardinal Government Guaranteed Fund/Ohio Co	—*	—*	—*	82	—	4.75	NA
		Carnegie Govt Secs-High Yield Govt[3]/Carnegie	—*	17.1	7.8	22	36	4.00	1.16‡
		Cigna High Yield Fund/Cigna	—*	22.6	11.8	204	79	5.00	0.94‡
B	C	Cigna Income Fund/Cigna	10.5	24.3	8.9	246	19	5.00	0.83‡
C	B	Circle Income Shares/closed end	10.0	13.8	11.1	33	4	NA	0.89
A	D	CNA Income Shares/closed end	10.6	21.3	10.0	66	18	NA	0.87
		Colonial Govt Mortgage Trust[4]/Colonial	—*	11.6	9.2	18	28	4.75	0.81‡
		Colonial Govt Securities Plus Trust/Colonial	—*	19.7	8.4	2,422	73	6.75	0.89‡
C	B	Colonial High Yield Securities/Colonial	10.9	19.8	12.3	295	182	4.75	1.08‡
B	D	Colonial Income Fund/Colonial	9.6	17.4	11.4	154	6	4.75	0.94‡
		Columbia Fixed Income Secs Fund/Columbia	—*	15.1	10.4	102	80	none	0.88‡
C	F	Composite Income Fund/Murphey Favre	7.9	11.5	12.6	53	281	4.00	0.00‡
		Composite US Govt Securities/Murphey Favre	—*	12.1	10.8	90	144	4.00	0.63‡
		Connecticut Mutual-Gov Secs/Conn Mutual	—*	—*	—*	19	—	6.25	1.26

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Bond funds are rated only if in operation since 6/30/80. [2]Formerly St Paul Securities. [3]Formerly Carnegie Govt Secs Trust. [4]Formerly Colonial Enhanced Mortgage Trust. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.



Bond & preferred stock

Performance			Investment results						
in UP markets	in DOWN markets	Fund/distributor	Average annual total return 1976-86	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
				total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85		
		Merrill Lynch govt/corporate bond index	**10.6%**	**20.8%**	**9.9%**				
		Forbes bond and preferred stock composite	**10.4%**	**17.6%**	**10.2%**				
		Criterion Bond-Investment Quality/Criterion	—*	19.2%	11.0%	$109	25%	4.50%	$1.01‡
		Criterion Bond-US Govt High Yield/Criterion	—*	10.0	10.9	2,106	874	6.75	1.13‡
A	D	**Current Income Shares/closed end**	10.8%	29.0	8.9	48	18	NA	0.90
		Dean Witter High Yield Secs/Dean Witter	—*	20.8	12.6	1,050	83	5.50	0.61
		Dean Witter US Govt Secs Trust/Dean Witter	—*	9.4	11.3	9,746	183	5.00b	1.24‡
		Delaware Group Government-GNMA/Delaware	—*	—*	—*	35	—	4.75	NA‡
		Delaware Group Government-US Govt/Delaware	—*	—*	—*	36	—	4.75	NA‡
		Delaware Treasury Reserves-Investors/Delaware	—*	—*	—*	84	—	none	NA‡
B	D	**Delchester Bond Fund/Delaware**	10.4	19.6	13.1	128	112	6.75	0.96
		Depositors Investment-Government Secs/Putnam	—*	—*	—*	7	—	none	NA‡
A+	D	**Drexel Bond Debenture Trading Fund/closed end**	11.3	17.8	9.7	52	7	NA	1.04
		Drexel Series-Bond-Debenture/Drexel	—*	18.2	8.4	14	492	5.00b	2.50‡
		Drexel Series-Government Secs/Drexel	—*	10.2	10.6	283	534	5.00b	2.03‡
D	A	**Dreyfus A Bonds Plus/Dreyfus**	10.6	19.2	9.3	222	43	none	0.87
		Dreyfus GNMA Fund/Dreyfus	—*	12.0	10.1	1,801	NM	none	0.96‡
		Eaton Vance Govt Obligations Trust/Eaton Vance	—*	14.0	8.9	336	95	6.75	1.23‡
B	C	**Eaton Vance High Yield/Eaton Vance**	9.8	18.7	11.3	31	26	6.75	0.99
		Equitec Siebel Government Secs Fund/Equitec	—*	—*	—*	14	—	5.00b	NA‡
B	F	**Excelsior Income Shares/closed end**	8.6	14.7	10.2	40	4	NA	0.94
		Federated GNMA Trust/Federated	—*	13.9	10.5	1,046	326	none	0.61
		Federated High Income Secs Fund/Federated	—*	18.2	12.2	334	71	6.50	1.14‡
		Federated High Yield Trust/Federated	—*	19.3	12.4	83	616	none	0.75
		Federated Income Trust/Federated	—*	10.4	10.7	453	189	none	0.57
		Federated Intermediate Govt Trust/Federated	—*	13.3	9.6	1,249	373	none	0.44
		Federated Short-Intermediate Govt/Federated	—*	10.9	9.4	2,916	229	none	0.43
C	C	**Fidelity Flexible Bond Fund[5]/Fidelity**	9.7	19.8	9.9	250	35	none	0.67
		Fidelity Ginnie Mae/Fidelity	—*	—*	—*	600	—	none	0.75
D	•A	**Fidelity Government Securities Fund/Fidelity**	—*	18.3	9.3	407	221	none	0.81‡
A	•B	**Fidelity High Income Fund/Fidelity**	—*	24.2	11.3	1,333	132	none	0.83
		Fidelity Mortgage Secs Fund/Fidelity	—*	13.1	10.4	618	452	none	0.76‡
D	•A	**Fidelity Thrift Trust/Fidelity**	—*	17.5	7.5[6]	293	44	none	0.79
		Financial Bond Shares-High Yield/Financial Prog	—*	22.7	12.0	36	308	none	0.93
		Financial Bond Shares-Select Inc/Financial Prog	—*	24.7	9.8	19	111	none	0.97
		First Australia Prime Income Fund/closed end	—*	—*	—*	740	—	NA	NA
D	•A	**First Investors Bond Appreciation/First Investors**	—*	21.9	9.2	189	50	7.25	1.02‡
D	A	**First Investors Fund for Income/First Investors**	10.2	17.0	12.9	1,646	42	8.50	0.90‡
		First Investors Government Fund/First Investors	—*	11.1	10.9	132	163	7.25	1.19‡
		First Investors US Govt Plus-2nd/First Investors	—*	—*	—*	6	—	8.00	NA‡
		First Trust Fund-US Government/First Trust	—*	—*	—*	130	—	4.75	NA‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Bond funds are rated only if in operation since 6/30/80. [5]Formerly Fidelity Corporate Bond Fund. [6]Dividend changed from monthly to annual payout; yield not comparable to other funds. ●Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 186.

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Bond & preferred stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends
		Merrill Lynch govt/corporate bond index	10.6%	20.8%	9.9%
		Forbes bond and preferred stock composite	10.4%	17.6%	10.2%
		Flex-fund-Bond Fund/Flex	—*	14.0%	8.2%
A+	F	Fort Dearborn Income Securities/closed end	10.4%	25.7	8.8
		FPA New Income/Angeles/Quinoco	—*	15.5	8.9
C	B	Franklin Age High Income Fund/Franklin	11.2	17.7	12.8
D	D	Franklin Custodian-US Govt/Franklin	7.5	13.0	12.1
		Freedom Government Plus Fund/Tucker Anthony	—*	—*	—*
B	D	Fund for US Govt Securities/Federated	8.6	9.8	11.3
		GIT Income Trust-A-Rated/GIT	—*	20.3	8.9
		GIT Income Trust-Maximum Income/GIT	—*	19.2	11.4
		Government Income Securities/Federated	—*	—*	—*
B	D	John Hancock Bond Trust/Hancock	9.2	18.9	9.5
A+	F	John Hancock Income Securities/closed end	10.3	20.5	9.6
C	B	John Hancock Investors/closed end	11.1	21.2	9.6
		John Hancock US Govt Guar Mort/Hancock	—*	13.1	9.9
D	A	John Hancock US Govt Secs Trust/Hancock	9.1	18.8	8.7
B	B	Hatteras Income Securities/closed end	11.1	21.4	10.0
		High Yield Securities/AIM Distributor	—*	15.7	12.3
		Home Investors Govt Guar Income/Integrated	—*	11.4	11.2
		Hutton Investment-Bond & Income/Hutton	—*	27.8	9.2
		Hutton Investment-Government Secs/Hutton	—*	14.0	7.9
B	C	IDS Bond Fund/IDS	11.0	26.2	10.5
		IDS Extra Income Fund/IDS	—*	21.7	10.8
		IDS Federal Income Fund/IDS	—*	—*	—*
A	C	IDS Selective Fund/IDS	11.0	24.0	10.5
		IDS Strategy Fund-Income/IDS	—*	21.8	8.4
B	C	INA Investment Securities/closed end	10.3	23.7	9.6
A	D	Independence Square Income Secs/closed end	10.6	17.2	10.5
		Industrial Series-Govt Secs Plus/Mackenzie	—*	—*	—*
A	D	InterCapital Income Securities/closed end	10.8	22.9	10.6
		Investment Port-Govt Plus/Kemper	—*	12.6	9.5
		Investment Port-High Yield/Kemper	—*	19.2	9.7
		Investment Tr of Boston-High Income Plus/ITB	—*	16.9	10.4
D	B	Investors Income Fund[7]/Tenneco	9.7	16.1	9.1
F	A	ISI Income Fund/ISI	11.0	6.3	5.6
		JP Income Fund/Jefferson-Pilot	—*	24.8	8.7
B	•B	Kemper High Yield Fund/Kemper	—*	21.4	11.3
C	•C	Kemper Income & Capital Preservation/Kemper	—*	18.8	10.8
D	•D	Kemper US Govt Secs Fund/Kemper	—*	20.6	10.9
C	B	Keystone Custodian B-1/Keystone	10.6	18.9	9.5

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Table of distributors, showing addresses and phone numbers, begins on page 186.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/86 (millions)	% change '86 vs '85		
$ 6	107%	none	$0.81‡
106	15	NA	0.81
6	24	5.00%	1.55
782	354	4.00	0.67
13,032	178	4.00	0.53
25	—	3.00b	NA‡
902	307	none	0.91‡
8	34	none	1.12‡
15	62	none	1.10‡
495	—	4.00	0.92‡
1,085	17	8.50	0.79
152	10	NA	0.64
152	11	NA	0.63
323	292	8.50	0.93
165	31	8.50	0.98
54	11	NA	0.92
89	1	6.50	1.06
167	392	5.00b	1.84‡
316	61	5.00b	1.79‡
4,353	143	5.00b	1.67‡
1,773	36	3.50	0.60‡
810	70	5.00	0.86‡
202	—	5.00	0.90‡
1,089	33	5.00	0.59‡
91	204	5.00b	1.75‡
91	15	NA	0.98
31	6	NA	1.01
23	—	6.75	1.60‡
213	14	NA	0.67
3,763	644	6.00b	1.94‡
129	249	6.00b	2.15‡
23	23	6.75	1.48‡
18	61	4.50	1.59
7	–7	8.50	1.51
20	1	8.00	0.93
304	36	5.50	0.71
180	43	5.50	0.70
1,942	232	4.50	0.50
192	136	4.00r	1.02‡

in force. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

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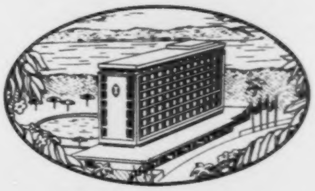

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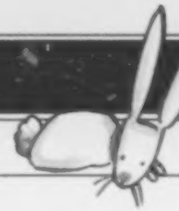
1986 Fund Ratings



Bond & preferred stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Merrill Lynch govt/corporate bond index	10.6%	20.3%	9.9%				
		Forbes bond and preferred stock composite	10.4%	17.6%	10.2%				
C	A	Keystone Custodian B-2/Keystone	11.4%	20.3%	9.8%	$425	109%	4.00%r	$1.01‡
C	A	Keystone Custodian B-4/Keystone	11.8	19.0	12.1	1,557	137	4.00r	0.87‡
C	A	Kidder Peabody Government Income Fund/Kidder	—*	—*	—*	125	—	5.00b	1.91‡
D	•D	Lexington GNMA Income Fund/Lexington	—*	12.8	10.0	115	179	none	1.01‡
D	B	Liberty Fund/Neuberger	8.5	15.2	7.1	10	10	none	2.00
D	A+	Lincoln National Direct Placement/closed end	14.4	21.7	8.3	69	11	NA	1.01
C	A	Lord Abbett Bond-Debenture/Lord Abbett	11.9	18.0	11.0	537	115	8.50	0.68
D	A	Lord Abbett US Govt Securities Fund[a]/Lord Abbett	11.3	15.7	10.7	214	234	6.75	1.01‡
B	C	Mass Financial Bond Fund/Mass Finl	10.4	21.8	9.7	309	16	7.25	0.79
B	•B	Mass Financial High Income Trust/Mass Finl	—*	20.2	13.0	843	80	7.25	0.80
		Mass Financial International-Bond/Mass Finl	—*	37.9	6.3	118	211	7.25	1.43
C	A+	MassMutual Corporate Investors/closed end	16.9	36.4	8.8	140	23	NA	1.11
D	B	MassMutual Income Investors/closed end	9.5	14.4	11.8	124	4	NA	0.97
		Merrill Lynch Corp Bond-High Income/ML Funds	—*	18.1	11.7	530	87	4.00	0.73
		Merrill Lynch Corp Bond-High Quality/ML Funds	—*	17.9	9.8	194	47	4.00	0.73
		Merrill Lynch Corp Bond-Intermediate/ML Funds	—*	17.7	9.5	95	151	2.00	0.61
		Merrill Lynch Federal Secs Trust/ML Funds	—*	15.7	9.4	6,404	170	6.25	0.54‡
		Merrill Lynch Retirement/Income/ML Funds	—*	—*	—*	1,071	—	4.00b	NA‡
		MFS Government Guaranteed Secs/Mass Finl	—*	10.7	10.4	381	116	4.75	1.09‡
		MFS Government Secs High Yield Trust/Mass Finl	—*	—*	—*	229	—	4.75	NA‡
		Midwest Group-LG US Govt Securities/Leshner	—*	12.2	10.9	45	89	4.00	1.49‡
		Midwest Income-Intermediate Govt/Leshner	—*	13.6	8.9	57	79	none	1.31‡
		Mimlic Mortgage Securities Income Fund/Mimlic	—*	12.6	10.2	11	107	5.00	0.60
A	D	Montgomery Street Income Securities/closed end	9.8	18.7	10.2	158	7	NA	0.83
		Mutual of Omaha America/Mutual of Omaha	—*	14.3	8.6	33	50	none	1.05
C	D	Mutual of Omaha Interest Shares/closed end	9.4	16.7	10.3	92	7	NA	0.80
C	B	National Bond Fund/National Secs	10.0	18.5	13.3	473	44	7.25	0.94
		National Federal Securities Trust/National Secs	—*	11.7	10.5	1,013	336	6.75	0.82
		National Preferred Fund/National Secs	12.8	26.0	8.7	4	10	7.25	1.07
•C	•D	Nationwide Bond Fund/Nationwide	—*	16.9	9.6	17	98	7.50	0.70
D	C	NEL Income Fund/NEL	8.6	16.6	10.3	46	24	8.00	0.87
		New Beginning Yield Fund/Sit	—*	9.9	7.9	6	206	none	1.50
		New England Life Government Secs/NEL	—*	—*	—*	160	—	6.50	0.67‡
D	C	Newton Income Fund/Newton	7.0	10.8	9.4	11	–10	none	1.60‡
C	D	Nicholas Income Fund/Nicholas	7.9	15.7	10.0	48	105	none	1.00
		North Star Bond Fund/North Star	—*	13.3	9.1	35	57	none	0.70
		North Star Reserve Fund/North Star	—*	—*	—*	33	—	none	0.90
A	C	Northeast Investors Trust/Northeast Inves	11.3	24.6	10.8	289	38	none	0.76
C	•D	Oppenheimer High Yield Fund/Oppenheimer Inv	—*	17.2	13.5	627	32	6.75	0.89

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Bond funds are rated only if in operation since 6/30/80. [a] Formerly Lord Abbett Income Fund. ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Bond & preferred stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Merrill Lynch govt/corporate bond index	**10.6%**	**20.8%**	**9.9%**				
		Forbes bond and preferred stock composite	**10.4%**	**17.6%**	**10.2%**				
		Oppenheimer Retirement-US Govt/Opp Inv	—*	11.7%	10.3%	$ 11	113%	8.50%	$0.00
		Oppenheimer US Government/Oppenheimer Inv	—*	—*	—*	160	—	6.75	NA‡
B	C	**Pacific American Income Shares/closed end**	11.2%	21.8	9.3	95	11	NA	0.87
		Pacific Horizon-High Yield Bond/Dreyfus	—*	19.9	11.6	23	169	none	0.29
		PaineWebber Fixed Inc-GNMA/PaineWebber	—*	14.0	12.3	2,712	282	4.25	0.62
		PaineWebber Fixed Inc-High Yield/PaineWebber	—*	19.8	13.0	439	490	4.25	0.69
		PaineWebber Fixed Inc-Invest Grade/PaineWebber	—*	20.6	11.8	261	243	4.25	0.63
		PaineWebber Master Series-Income/PaineWebber	—*	—*	—*	275	—	5.00b	1.20‡
		Phoenix High Quality Bond Fund/Phoenix	—*	20.9	8.0	16	268	7.00	1.17
		Phoenix High Yield Fund/Phoenix	—*	20.4	11.8	92	48	7.00	0.77
		Pilgrim GNMA Fund/Pilgrim	—*	6.0	11.4	222	NM	1.50	1.00‡
C	A	**Pilgrim High Yield Trust/Pilgrim**	10.9	15.6	12.5	14	12	1.50	1.50‡
		Pilgrim Preferred Fund/Pilgrim	—*	—*	—*	55	—	1.50	NA‡
		Pioneer Bond Fund/Pioneer	—*	15.3	10.2	30	63	4.50	1.00
		T Rowe Price GNMA Fund/Price	—*	—*	—*	209	—	none	1.00
		T Rowe Price High Yield Fund/Price	—*	22.7	11.8	708	358	none	1.00
F	A+	**T Rowe Price New Income Fund/Price**	10.6	18.2	9.3	933	18	none	0.66
		T Rowe Price Short-Term Bond Fund/Price	—*	11.3	8.7	126	126	none	1.31
		Principal Preservation-Government Plus/Ziegler	—*	—*	—*	24	—	6.50	0.80
		Prudential-Bache GNMA Fund/Pru-Bache	—*	11.7	9.0	269	646	5.00b	1.35‡
		Prudential-Bache Government Plus/Pru-Bache	—*	14.7	7.8	3,913	100	5.00b	1.48‡
		Prudential-Bache Govt Secs-Inter Term/Pru-Bache	—*	15.5	9.4	624	NM	none	0.67‡
C	●C	**Prudential-Bache High Yield Fund/Pru-Bache**	—*	19.0	11.4	1,315	331	5.00b	0.95‡
		Putnam GNMA Plus Trust/Putnam	—*	—*	—*	112	—	4.75	NA‡
		Putnam High Income Government Trust/Putnam	—*	17.2	8.9	3,771	818	6.75	NA‡
A	●C	**Putnam High Yield Trust/Putnam**	—*	19.4	13.9	2,430	113	†	0.60
		Putnam High Yield Trust II/Putnam	—*	—*	—*	91	—	6.75	NA‡
B	C	**Putnam Income Fund/Putnam**	10.5	15.8	10.7	189	14	6.75	0.73
		Putnam US Govt Guaranteed Secs/Putnam	—*	10.7	11.6	539	260	4.75	NA
F	A	**Revere AE Capital Fund/closed end**	10.1	20.7	8.7	42	10	NA	1.28
		Royce Fund-High Yield/Quest	—*	—*	—*	10	—	2.00b, r	1.30‡
		RPF of America-Bond Fund/Venture	—*	12.0	10.4	47	111	5.00b	1.17‡
		Rushmore Fund-Ginnie Mae/Rushmore	—*	—*	—*	7	—	1.00b[9]	1.00‡
		Scudder Government Mortgage Securities/Scudder	—*	—*	—*	182	—	none	1.02
C	C	**Scudder Income Fund/Scudder**	9.4	17.3	9.7	197	31	none	0.91
		Scudder Target Fund-General 1987/Scudder	—*	9.2	6.2	6	14	none	1.43
		Scudder Target Fund-General 1990/Scudder	—*	13.6	7.4	16	45	none	1.00
		Scudder Target Fund-General 1994/Scudder	—*	16.4	7.8	6	77	none	1.27
		Scudder Target Fund-Govt 1990/Scudder	—*	13.3	6.7	6	53	none	1.48

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Bond funds are rated only if in operation since 6/30/80. ● Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. [9] Fund pays a 1% premium on fund purchases and charges a 2% redemption fee. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Bond & preferred stock

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-86	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
		Merrill Lynch govt/corporate bond index	10.6%	20.8%	9.9%				
		Forbes bond and preferred stock composite	10.4%	17.6%	10.2%				
		Security Income Fund-Corporate Bonds[10]/Security	—*	17.7%	11.8%	$43	17%	4.75%	$1.01‡
		Seligman High Inc-High Yield Bond/Seligman	—*	21.5	12.5	53	586	4.75	0.48‡
		Seligman High Inc-Secured Mortgage/Seligman	—*	12.8	10.6	49	110	4.75	0.47‡
		Seligman High Inc-US Govt Guaranteed/Seligman	—*	27.5	9.1	53	178	4.75	0.47‡
D	B	Sentinel Bond Fund/Equity Services	9.6%	17.2	9.2	20	28	8.50	0.72
		Shearson High Yield Fund/Shearson	—*	19.2	12.2	481	110	5.00	0.78
		Shearson Lehman-Intermediate Govt/Shearson	—*	—*	—*	35	—	5.00b	1.60‡
		Shearson Lehman-Long Term Govt Secs/Shearson	—*	—*	—*	1,274	—	5.00b	1.60‡
		Shearson Managed Government/Shearson	—*	11.6	10.3	1,447	60	5.00	0.82
		Sigma Income Shares/Sigma	—*	20.0	10.4	28	37	8.50	0.81‡
		Smith Barney-Income Return/Smith Barney	—*	9.3	8.2	39	298	2.50	0.21
		Smith Barney-US Government/Smith Barney	—*	12.7	11.3	413	223	4.00	0.27
D	B	State Mutual Securities/closed end	10.0	16.7	10.4	94	7	NA	0.96
		SteinRoe Governments Plus/Stein Roe	—*	—*	—*	12	—	none	NA
		SteinRoe High-Yield Bonds/Stein Roe	—*	—*	—*	32	—	none	NA
		SteinRoe Managed Bonds[11]/Stein Roe	—*	22.1	8.5	183	36	none	0.69
		Strong Income Fund/Strong	—*	—*	—*	45	—	none	1.20
		Thomson McKinnon Income Fund/Thomson	—*	14.4	11.2	312	156	5.00b	1.70‡
		Thomson McKinnon US Government/Thomson	—*	—*	—*	242	—	5.00b	1.90‡
A+	D	Transamerica Income Shares/closed end	11.3	25.2	9.7	123	13	NA	0.68
		20th Century US Govt Investors/20th Century	—*	11.1	9.3	183	180	none	1.01
		UMB Bond Fund/Jones & Babson	—*	14.5	12.3	20	107	none	0.88
A	D	United Bond Fund/Waddell & Reed	10.2	22.8	9.3	343	6	8.50	0.67‡
		United Govt Secs Fund/Waddell & Reed	—*	23.4	9.8	134	118	4.00	0.87‡
B	•C	United High Income Fund/Waddell & Reed	—*	19.8	12.4	1,184	57	†	0.81‡
		USAA Mutual-Income Fund/USAA	—*	13.8	9.6	200	54	none	0.70
A	C	USLife Income Fund/closed end	11.3	21.0	10.9	59	11	NA	1.32
		Value Line Aggressive Income Trust/Value Line	—*	—*	—*	18	—	none	NA
		Value Line US Government Secs Fund[12]/Value Line	—*	14.0	10.2	95	42	none	0.86
		Van Kampen Merritt US Govt/Van Kampen	—*	17.3	11.7	2,862	364	4.90	0.61
		Vanguard Fixed Income-GNMA/Vanguard	—*	13.9	10.6	1,605	207	none	0.50
C	•B	Vanguard Fixed Income-High Yield/Vanguard	—*	20.2	11.6	1,019	178	none	0.60
C	B	Vanguard Fixed Income-Invest Grade/Vanguard	10.4	17.4	10.8	426	142	none	0.55
		Vanguard Fixed Income-ST/Vanguard	—*	12.9	8.9	270	89	none	0.49
		Vanguard Qualified Dividend Port II/Vanguard	10.7	22.0	9.9	121	49	none	0.53
		Vanguard Qualified Dividend Port III/Vanguard	—*	4.0	8.2	134	-12	none	0.49
		Venture Income Plus/Venture	—*	17.7	14.5	63	49	8.50	1.25
B	B	Vestaur Securities/closed end	11.8	30.5	8.9	90	19	NA	1.10
		Yes Fund/Yes	—*	5.7	12.8	189	47	3.75	1.25

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Bond funds are rated only if in operation since 6/30/80. [10]Formerly Security Bond Fund. [11]Formerly SteinRoe Bond Fund. [12]Formerly Value Line Bond Fund. •Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

Municipal bond funds

Municipal bond funds in existence since June 1981 are graded according to their five-year total return (price appreciation plus reinvested dividends). In choosing a municipal bond fund, consider risk as well as performance grade. Long-term portfolios are riskier than shorter-term ones. Thus, the bonds with shorter maturities don't deliver very impressive performance during a bull market for bonds, as we've had in recent years. But the short-term bonds are much less likely to decline in value during a bear market, when interest rates are rising. If the prospect of renewed inflation between now and 2016 doesn't bother you, go for the high return of a fund that owns bonds due in 2016. If, on the other hand, you think double-digit inflation will recur, accept the smaller return of an intermediate-term portfolio. The other risk factor besides years to maturity is credit risk. Again, high-yield portfolios are riskier than most; they look best in terms of pure performance, but they would be the first to get hurt in an economic recession. To obtain information about a fund, call or write the distributor listed next to the fund's name. Distributor addresses and phone numbers are in the table on page 186.

			Investment results					
			Latest 12 months		Total assets			
Long-term performance	Fund/distributor	Date started	total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index		16.5%	8.2%				
	Forbes municipal bond composite		14.9%	7.6%				
	American Capital Calif Tax-Exempt/Amer Cap	1/86	—*	—*	$ 9	—	4.75%	$0.65‡
A	**American Capital Muni Bond Fund/Amer Cap**	11/76	22.0%	7.4%	142	46%	4.75	0.72
	American Capital Tax-Exempt-Hi Yield/Amer Cap	1/86	—*	—*	86	—	4.75	0.70‡
	American Capital Tax-Exempt-Insured/Amer Cap	1/86	—*	—*	19	—	4.75	0.31‡
	American Capital Tax-Exempt-New York/Amer Cap	1/86	—*	—*	5	—	4.75	0.67‡
C	**Babson Tax-Free Income-Long Term/Jones & Babson**	2/80	16.6	7.5	21	31	none	1.00
D	**Babson Tax-Free Income-Short Term/Jones & Babson**	2/80	8.8	6.4	13	30	none	1.00
	Benham Calif Tax-Free-Intermediate/Benham	11/83	10.7	6.7	106	99	none	0.96
	Benham Calif Tax-Free-Long Term/Benham	11/83	14.7	7.6	161	108	none	0.95
	Benham National Tax-Free-Intermediate/Benham	7/84	12.4	7.2	12	248	none	0.09
	Benham National Tax-Free-Long-Term/Benham	8/84	16.9	8.3	21	146	none	0.26
	BLC Tax-Exempt Bond Fund/Princor	4/86	—*	—*	9	—	4.50	0.15
	Boston Co Tax-Free Muni-Bond/Boston Co	10/85	—*	—*	6	—	none	0.75‡
	Boston Co Tax-Free Muni-Mass Bond/Boston Co	9/85	—*	—*	8	—	none	0.75‡
	Bull & Bear Tax-Free Income Fund/Bull & Bear	3/84	19.6	7.7	14	85	none	1.02‡
	Bullock Insured Calif Tax-Exempt Shares/Bullock	11/85	—*	—*	13	—	5.00	NA
C	**Bullock Tax-Free Shares/Bullock**	2/77	14.5	8.1	103	37	4.75	0.97
	California Tax Exempt Bonds/National Secs	5/83	14.9	7.9	66	58	5.25	0.46
	Calvert Tax-Free Reserves-Long-Term/Calvert	9/83	14.9	9.4	65	45	none	0.84‡
D	**Calvert Tax-Free Reserves-Limited/Calvert**	4/81	7.1	6.6	108	71	none	0.88
C	**Cigna Municipal Bond Fund/Cigna**	3/77	21.1	7.8	233	35	5.00	0.79‡
	Colonial Tax-Exempt High Yield Trust[1]/Colonial	11/78	15.4	7.9	1,149	144	4.75	0.86‡
	Colonial Tax Exempt Insured Fund/Colonial	12/85	—*	—*	73	—	4.75	1.03‡
	Columbia Municipal Bond Fund/Columbia	7/84	14.2	8.0	81	115	2.00r	0.76‡
C	**Composite Tax-Exempt Bond Fund/Murphey Favre**	1/77	16.0	7.9	68	19	4.00	0.78‡
D	**Country Capital Tax Exempt Bond/Country Capital**	11/78	15.2	7.0	7	40	5.00	1.19
	DBL Tax-Free Fund-Limited Term/Drexel	4/85	11.2	6.7	61	552	1.50	1.00
	Dean Witter California Tax-Free Inc/Dean Witter	7/84	14.7	6.8	273	120	5.00b	1.30‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. [1] Not rated: converted to a tax-exempt fund in 9/84. NA: Not applicable or not available. *Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc.*

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Municipal bond funds

Long-term performance	Fund/distributor	Date started	Investment results Latest 12 months total return	Investment results Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index		**16.5%**	**8.2%**				
	FORBES municipal bond composite		**14.9%**	**7.6%**				
	Dean Witter NY Tax-Free Income Fund/Dean Witter	**4/85**	**15.8%**	**6.7%**	**$92**	**131%**	**5.00%b**	**$1.46‡**
A	**Dean Witter Tax-Exempt Secs/Dean Witter**	**3/80**	**17.8**	**8.0**	**731**	**103**	**4.00**	**0.61**
	DMC Tax-Free Income-USA/Delaware	**1/84**	**20.1**	**8.3**	**206**	**135**	**4.75**	**0.84**
	DMC Tax-Free Income-USA Insured/Delaware	**3/85**	**16.7**	**7.6**	**28**	**520**	**4.75**	**0.76**
B	**DMC Tax-Free Income Trust-PA/Delaware**	**3/77**	**15.6**	**8.1**	**245**	**148**	**4.75**	**0.77**
	Double Exempt Capital Conservation Fund/Voyager	10/85	—*	—*	11	—	2.25	1.00
	Double Exempt Flex Fund/Voyager	2/84	29.6	14.3	74	171	4.00	1.00
	Dreyfus Calif Tax Exempt Bond/Dreyfus	7/83	15.3	7.7	982	75	none	0.72
	Dreyfus General Tax Exempt Bond Fund/Dreyfus	3/84	16.9	8.1	41	223	none	0.41
	Dreyfus Insured Tax Exempt Bond Fund/Dreyfus	6/85	16.7	7.5	151	NM	none	0.73‡
	Dreyfus Intermediate Tax Exempt Bond/Dreyfus	**8/83**	**13.0**	**7.6**	**936**	**65**	**none**	**0.75**
	Dreyfus Massachusetts Tax Exempt Bond/Dreyfus	**6/85**	**13.7**	**7.7**	**55**	**NM**	**none**	**0.26**
	Dreyfus NY Tax Exempt Bond Fund/Dreyfus	**7/83**	**14.8**	**7.7**	**1,231**	**77**	**none**	**0.71**
C	**Dreyfus Tax Exempt Bond Fund/Dreyfus**	**10/76**	**15.4**	**8.2**	**3,302**	**27**	**none**	**0.68**
	Eaton Vance California Munis Trust/Eaton Vance	**12/85**	**—***	**—***	**64**	**—**	**6.00b, r**	**0.52‡**
	Eaton Vance High Yield Municipals/Eaton Vance	12/85	—*	—*	410	—	6.00b, r	0.70‡
A	Eaton Vance Muni Bond Fund/Eaton Vance	3/78	17.8	7.3	46	88	3.75	0.88
	Empire Builder Tax Free Bond Fund/ITB	6/84	12.5	7.2	29	90	4.75	1.50
	Federated Intermediate Municipal/Federated	12/85	—*	—*	45	—	none	NA
B	Federated Tax-Free Income Fund/Federated	10/76	17.4	7.8	261	89	none	0.93‡
	Fidelity Calif Tax-Free High Yield/Fidelity	**7/84**	**14.2**	**7.6**	**319**	**479**	**none**	**0.72**
	Fidelity Mass Tax-Free-Muni Bond/Fidelity	**11/83**	**14.7**	**7.8**	**459**	**165**	**none**	**0.63**
	Fidelity NY Tax-Free-High Yield/Fidelity	**7/84**	**12.7**	**7.6**	**208**	**367**	**none**	**0.86**
	Fidelity NY Tax-Free-Insured/Fidelity	**10/85**	**—***	**—***	**72**	**—**	**none**	**0.60**
	Fidelity State Tax-Free-Michigan/Fidelity	**11/85**	**—***	**—***	**62**	**—**	**none**	**NA‡**
	Fidelity State Tax-Free-Minnesota/Fidelity	11/85	—*	—*	41	—	none	NA‡
	Fidelity State Tax-Free-Ohio/Fidelity	11/85	—*	—*	46	—	none	NA‡
	Fidelity Tax-Free-Aggressive/Fidelity	9/85	—*	—*	248	—	1.00	0.60
A	Fidelity Tax-Free-High Yield/Fidelity	12/77	17.6	7.9	1,780	33	none	0.56
	Fidelity Tax-Free-Insured/Fidelity	11/85	—*	—*	66	—	none	0.60
D	**Fidelity Tax-Free-Limited Term Munis/Fidelity**	**4/77**	**13.8**	**6.9**	**400**	**52**	**none**	**0.71**
C	**Fidelity Tax-Free-Municipal Bond/Fidelity**	**8/76**	**16.5**	**7.2**	**980**	**21**	**none**	**0.46**
	Fidelity Texas Tax-Free/Fidelity	**1/86**	**—***	**—***	**14**	**—**	**none**	**0.65‡**
	Financial Tax-Free Income Shares/Financial Prog	**8/81**	**21.0**	**8.0**	**109**	**27**	**none**	**0.68**
	First Investors New York Tax Free/First Investors	**6/84**	**16.5**	**7.8**	**63**	**106**	**7.25**	**1.18‡**
B	First Investors Tax Exempt Fund/First Investors	8/77	16.3	9.1	607	39	7.25	1.11‡
	Flagship Tax Exempt Funds Trust-Georgia/Flagship	3/86	—*	—*	10	—	4.20	0.83‡
	Flagship Tax Exempt Funds Trust-Michigan/Flagship	6/85	14.9	7.3	49	308	4.20	0.75‡
	Flagship Tax Exempt Funds Trust-NC/Flagship	3/86	—*	—*	17	—	4.20	0.67‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributors. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Municipal bond funds

			Investment results					
			Latest 12 months		Total assets			
Long-term performance	Fund/distributor	Date started	total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index **Forbes municipal bond composite**		**16.5%** **14.9%**	**8.2%** **7.6%**				
	Flagship Tax Exempt Funds Trust-Ohio/Flagship	6/85	14.4%	7.5%	$ 82	347%	4.20%	$0.81‡
	Flagship Tax Exempt Funds Trust-Virginia/Flagship	3/86	—*	—*	15	—	4.20	0.70‡
	Franklin Calif Insured Tax-Free Income/Franklin	9/85	—*	—*	49	—	4.00	0.42
D	**Franklin California Tax-Free Income Fund/Franklin**	2/77	12.9	8.8	5,776	104	4.00	0.51
	Franklin Federal Tax-Free Income/Franklin	9/83	14.6	8.9	897	716	4.00	0.64
	Franklin Insured Tax-Free Income Fund/Franklin	4/85	15.1	6.3	61	NM	4.00	0.24
	Franklin Mass Insured Tax-Free Income/Franklin	4/85	12.8	6.2	26	703	4.00	0.23
	Franklin Mich Insured Tax-Free Income/Franklin	4/85	14.3	6.3	101	NM	4.00	0.36
	Franklin Minn Insured Tax-Free Income/Franklin	4/85	13.6	6.3	48	NM	4.00	NA
	Franklin NY Tax-Free Income Fund/Franklin	9/82	15.8	8.6	1,709	191	4.00	0.55
	Franklin Ohio Insured Tax-Free Income/Franklin	4/85	13.8	6.3	53	NM	4.00	0.23
	Fund for Tax-Free Investors-Intermed/Rushmore	9/83	12.0	7.1	8	67	none	0.89
	Fund for Tax-Free Investors-Long Term/Rushmore	9/83	13.9	7.9	7	71	none	0.87
	GIT Tax-Free Trust-High Yield/GIT	12/82	14.1	7.6	41	20	none	1.14‡
C	**John Hancock Tax-Exempt Income Trust/Hancock**	1/77	19.4	6.9	283	33	8.50	0.72
	Hawaiian Tax-Free Trust/Aquila	2/85	14.0	7.9	105	269	4.00	0.61‡
	Hutton California Municipal Fund/Hutton	6/83	14.7	7.8	144	47	4.00	0.92
	Hutton National Municipal Fund/Hutton	6/83	17.6	7.9	795	76	4.00	0.73
	Hutton New York Municipal Fund/Hutton	6/83	14.4	7.9	196	65	4.00	0.86
A	**IDS High Yield Tax-Exempt Fund/IDS**	5/79	18.2	8.9	3,123	49	5.00	0.62‡
B	**IDS Tax-Exempt Bond Fund/IDS**	12/76	17.5	7.8	765	36	5.00	0.63‡
	Insured Quality Tax Free Bond/Criterion	6/83	18.3	6.8	29	15	4.50	1.30‡
	Integrated Insured Tax Free Fund/Integrated	11/85	—*	—*	119	—	4.75	0.76
	Investment Trust of Boston-Mass T-F Income/ITB	3/84	13.2	7.4	39	36	4.25	1.13‡
	Kemper Calif Tax-Free Income Fund/Kemper	1/83	15.4	7.9	156	83	4.50	0.70
A	**Kemper Muni Bond Fund/Kemper**	4/7	16.7	7.8	796	34	4.50	0.55
	Kemper Tax-Free Income-National/Kemper	12/85	—*	—*	8	—	3.50b	NA‡
	Keystone Tax Exempt Trust/Keystone	10/85	—*	—*	241	—	4.00r	1.35‡
B	**Keystone Tax Free Fund/Keystone**	1/78	15.5	8.1	921	44	4.00r	0.92‡
	Kidder Peabody Tax-Free Income-National/Kidder	12/85	—*	—*	16	—	4.00	0.00
	Kidder Peabody Tax-Free Income-NY/Kidder	12/85	—*	—*	9	—	4.00	0.03
	Limited Term Municipal Fund/Thornburg	8/84	10.9	7.2	60	258	2.75	1.00
	Lord Abbett California Tax-Free Income/Lord Abbett	9/85	—*	—*	38	—	4.75	NA‡
	Lord Abbett Tax-Free-National/Lord Abbett	4/84	16.9	8.1	151	186	4.75	0.66
	Lord Abbett Tax-Free-NY/Lord Abbett	4/84	14.2	7.9	83	89	4.75	0.74
	Merrill Lynch California Tax-Exempt/ML Funds	9/85	—*	—*	391	—	4.00b	0.39‡
A	**Merrill Lynch Muni Bond-High Yield/ML Funds**	11/79	17.1	8.3	1,297	110	4.00	0.56
C	**Merrill Lynch Muni Bond-Insured/ML Funds**	11/77	15.6	8.0	1,743	89	4.00	0.60
D	**Merrill Lynch Muni Bond-Ltd Maturity/ML Funds**	11/79	6.6	6.1	624	46	1.00	0.42

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

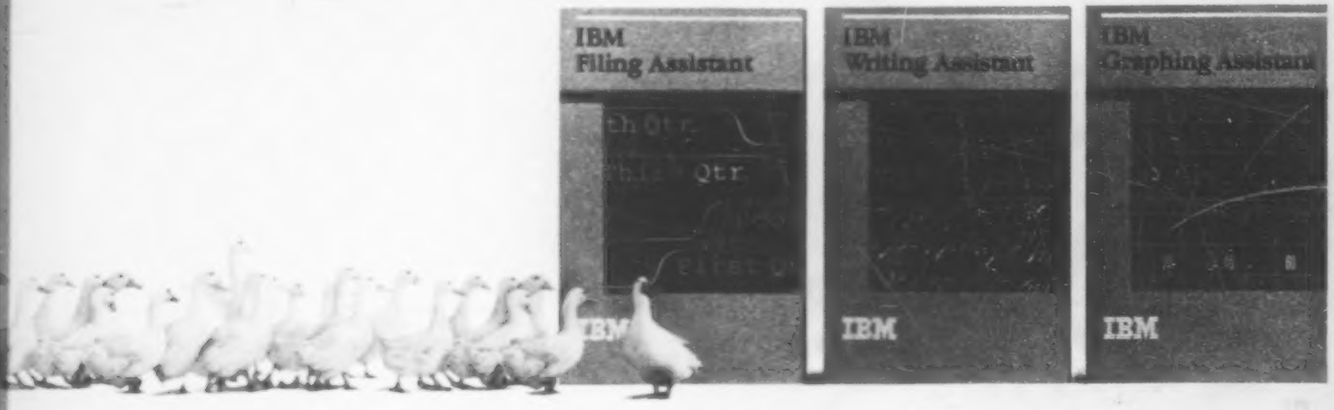
Municipal bond funds

Long-term performance	Fund/distributor	Investment results: Date started	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index		16.5%	8.2%				
	Forbes municipal bond composite		14.9%	7.6%				
	Merrill Lynch NY Municipal Bond/ML Funds	11/85	—*	—*	$399	—	4.00%b	$0.93‡
	MFS Managed California Tax-Exempt/Mass Finl	6/85	11.6%	5.6%	25	NM	4.75	0.95‡
	MFS Managed High Yield Muni Bond/Mass Finl	2/84	16.8	9.4	346	49%	†	1.04
	MFS Managed M-S Tax-Exempt-Maryland/Mass Finl	11/84	12.8	7.6	52	167	4.75	0.98‡
	MFS Managed M-S Tax-Exempt-Mass/Mass Finl	11/84	14.8	7.6	139	351	4.75	0.86‡
	MFS Managed M-S Tax-Exempt-NC/Mass Finl	11/84	17.4	7.3	72	119	4.75	0.90‡
	MFS Managed M-S Tax Exempt-SC/Mass Finl	11/84	15.0	7.5	17	170	4.75	1.01‡
	MFS Managed M-S Tax-Exempt-Virginia/Mass Finl	11/84	12.4	7.5	124	144	4.75	0.83‡
	MFS Managed M-S Tax-Exempt-W Va/Mass Finl	11/84	14.8	7.8	21	68	4.75	1.00‡
A	**MFS Managed Muni Bond Trust/Mass Finl**	10/76	16.4	7.6	696	69	4.75	0.67

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. †Fund not currently selling new shares. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. NM: Not meaningful.

Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc

Table of distributors, showing addresses and phone numbers, begins on page 186.



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Municipal bond funds

Long-term performance	Fund/distributor	Date started	Investment results: Latest 12 months: total return	Investment results: Latest 12 months: return from income dividends	Total assets: 6/30/86 (millions)	Total assets: % change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index		16.5%	8.2%				
	Forbes municipal bond composite		14.9%	7.6%				
	Midwest Group Tax Free-Ohio Long Term/Leshner	4/85	15.1%	7.3%	$13	243%	4.00%	$1.00‡
	Midwest Group Tax Free-Limited Term/Leshner	9/81	6.3	6.0	13	18	2.00	1.12‡
C	**Mutual of Omaha Tax-Free Inc/Mutual of Omaha**	1/77	19.8	7.6	202	47	8.00	0.64
B	**National Securities Tax Exempt Bonds/National Secs**	11/76	18.0	8.0	70	52	5.25	0.83
	Nationwide Tax-Free Fund/Nationwide	3/86	—*	—*	7	—	5.00b	1.06‡
A	NEL Tax Exempt Bond Fund/NEL	5/77	19.2	8.8	95	22	4.50	0.84
D	New York Muni Fund/New York Muni	4/81	17.1	7.2	216	52	none	1.60‡
C	Nuveen Muni Bond Fund/Nuveen	11/76	16.6	6.7	608	38	4.00	0.70
	Oppenheimer NY Tax-Exempt/Oppenheimer Inv	8/84	16.3	7.5	46	119	4.75	0.84
A	Oppenheimer Tax-Free Bond Fund/Oppenheimer Inv	10/76	17.7	7.2	106	30	4.75	0.82

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor.

Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc.

Table of distributors, showing addresses and phone numbers, begins on page 186.

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1986 Fund Ratings

Municipal bond funds

			Investment results					
			Latest 12 months		Total assets			
Long-term performance	Fund/distributor	Date started	total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index **Forbes municipal bond composite**		**16.5%** **14.9%**	**8.2%** **7.6%**				
	Pacific Horizon-Calif Tax-Exempt Bond/Dreyfus	3/84	15.1%	7.3%	$75	93%	none	$0.99‡
	PaineWebber Calif Tax-Exempt Inc/PaineWebber	9/85	—*	—*	122	—	4.25%	0.59
	PaineWebber Tax-Exempt Income/PaineWebber	12/84	16.2	7.7	260	230	4.25	0.72
	Park Ave NY Tax Exempt Intermed Bond/Dreyfus	11/84	11.0	6.8	42	401	none	0.35‡
	T Rowe Price Tax-Free High Yield Fund/Price	3/85	18.6	7.6	177	241	none	1.00
D	**T Rowe Price Tax-Free Income Fund/Price**	11/76	17.2	7.5	1,280	22	none	0.63
	T Rowe Price Tax-Free Short-Intermediate/Price	12/83	7.6	6.1	209	132	none	0.90
	Principal Preservation-Tax-Exempt Fund/Ziegler	8/84	–2.8	8.4	136	107	4.50	1.20‡
	Prudential-Bache California Municipal/Pru-Bache	9/84	13.5	7.3	100	143	5.00b	1.02‡
B	**Prudential-Bache High Yield Municipals/Pru-Bache**	6/80	17.0	7.8	849	152	5.00b	0.73‡
	Prudential-Bache Muni-Arizona/Pru-Bache	9/84	13.7	7.2	36	105	5.00b	1.07‡
	Prudential-Bache Muni-Georgia/Pru-Bache	9/84	14.6	7.5	22	70	5.00b	0.99‡
	Prudential-Bache Muni-Maryland/Pru-Bache	1/85	10.9	7.4	21	135	5.00b	0.94‡
	Prudential-Bache Muni-Mass/Pru-Bache	9/84	12.3	7.3	30	118	5.00b	1.09‡
	Prudential-Bache Muni-Michigan/Pru-Bache	9/84	15.5	7.3	29	91	5.00b	1.09‡
	Prudential-Bache Muni-Minnesota/Pru-Bache	10/84	12.4	7.2	9	153	5.00b	0.95‡
	Prudential-Bache Muni-New York/Pru-Bache	9/84	14.5	7.2	224	117	5.00b	1.08‡
	Prudential-Bache Muni-N Carolina/Pru-Bache	2/84	15.6	7.2	22	220	5.00b	0.92‡
	Prudential-Bache Muni-Ohio/Pru-Bache	9/84	14.8	7.3	46	136	5.00b	1.07‡
	Prudential-Bache Muni-Oregon/Pru-Bache	9/84	12.9	7.0	7	168	5.00b	0.95‡
	Putnam California Tax Exempt Income/Putnam	6/83	16.5	8.0	717	67	4.75	0.65
	Putnam New York Tax Exempt Income/Putnam	9/83	16.7	8.0	605	69	4.75	0.71
A	**Putnam Tax Exempt Income Fund/Putnam**	11/76	19.6	8.1	511	187	4.75	0.68
	Putnam Tax-Free Income Trust-High Yield/Putnam	9/85	—*	—*	173	—	5.00b	NA‡
	Putnam Tax-Free Income Trust-Insured/Putnam	9/85	—*	—*	55	—	5.00b	NA‡
	Safeco California Tax Free Income Fund/Safeco	8/83	14.1	7.4	21	56	none	0.76
	Safeco Municipal Bond Fund/Safeco	11/81	14.7	8.0	150	44	none	0.63
	Scudder California Tax-Free Fund/Scudder	7/83	12.6	7.0	129	36	none	0.88
C	**Scudder Managed Municipal Bonds/Scudder**	10/76	12.3	6.6	589	1	none	0.58
	Scudder New York Tax Free Fund/Scudder	7/83	9.0	6.9	98	29	none	0.88
	Scudder Tax-Free Target-1987/Scudder	4/83	6.1	5.4	30	12	none	0.98
	Scudder Tax-Free Target-1990/Scudder	4/83	8.2	6.4	70	46	none	0.85
	Scudder Tax-Free Target-1993/Scudder	4/83	8.6	6.8	78	95	none	0.86
	Scudder Tax Free Target-1996/Scudder	4/85	12.6	6.4	13	195	none	1.00
	Security Tax-Exempt Fund/Security	10/83	15.9	8.2	11	58	4.75	1.00
	Seligman Calif T-E-High Yield/Seligman	11/84	19.2	8.1	45	62	4.50	0.41
	Seligman Calif T-E-Quality/Seligman	11/84	14.3	7.6	47	124	4.50	0.48
	Seligman Tax-Exempt-Colorado/Seligman	5/86	—*	—*	41	—	4.75	NA
	Seligman Tax-Exempt-Louisiana/Seligman	10/85	—*	—*	42	—	4.75	0.57

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. NA: Not applicable or not available.

Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc.

Table of distributors, showing addresses and phone numbers, begins on page 186.

1986 Fund Ratings

Municipal bond funds

			Investment results					
			Latest 12 months		Total assets			
Long-term performance	Fund/distributor	Date started	total return	return from income dividends	6/30/86 (millions)	% change '86 vs '85	Maximum sales charge	Annual expenses per $100
	Shearson Lehman Municipal bond index		16.5%	8.2%				
	Forbes municipal bond composite		14.9%	7.6%				
	Seligman Tax-Exempt-Maryland/Seligman	10/85	—*	—*	$ 37	—	4.75%	$0.46
	Seligman Tax-Exempt-Mass/Seligman	11/83	12.4%	7.8%	112	89%	4.75	0.83
	Seligman Tax-Exempt-Michigan/Seligman	7/84	16.5	7.6	86	140	4.75	0.89
	Seligman Tax-Exempt-Minnesota/Seligman	11/83	13.3	7.7	92	85	4.75	0.89
	Seligman Tax-Exempt-National/Seligman	11/83	18.8	8.2	96	128	4.75	0.88
	Seligman Tax-Exempt-New York/Seligman	11/83	15.0	7.6	58	81	4.75	0.77
	Seligman Tax-Exempt-Ohio/Seligman	11/83	13.7	8.0	98	109	4.75	0.85
	Shearson California Municipals/Shearson	4/84	15.8	7.8	124	94	5.00	0.73
	Shearson Lehman-Tax Exempt Income/Shearson	9/85	—*	—*	338	—	5.00b	1.65‡
B	**Shearson Managed Municipals/Shearson**	3/81	18.0	8.2	543	70	5.00	0.66
	Shearson New York Municipals/Shearson	1/84	15.7	7.8	168	89	5.00	0.81
D	**Sigma Tax-Free Bond Fund/Sigma**	8/79	15.1	7.0	12	44	4.75	1.10‡
	State Bond Tax Exempt Fund/State Bond	5/84	13.9	7.8	19	186	4.50	1.00
	SteinRoe High Yield Muni/Stein Roe	3/84	16.9	8.2	129	105	none	0.81
	SteinRoe Intermediate Municipals/Stein Roe	10/85	—*	—*	59	—	none	2.38
A	**SteinRoe Tax-Exempt Bond Fund/Stein Roe**	2/77	16.0	7.3	414	38	none	0.65
B	**Tax-Exempt Bond Fund of America/American Funds**	10/79	17.2	7.3	220	60	4.75	0.67
	Tax-Free Trust of Arizona/Aquila	3/86	—*	—*	13	—	4.00	NA‡
	Thomson McKinnon Tax Exempt Fund/Thomson	11/85	—*	—*	44	—	5.00b	1.90‡
	Unified Municipal Fund-General/Unified	4/85	14.9	6.0	5	19	none	1.24‡
	Unified Municipal Fund-Indiana/Unified	4/85	15.9	6.0	8	116	none	1.18‡
B	**United Muni Bond Fund/Waddell & Reed**	11/76	19.9	7.5	372	36	4.00	0.65‡
	United Municipal High Income/Waddell & Reed	1/86	—*	—*	19	—	4.00	0.14‡
	USAA Tax Exempt-High Yield/USAA	3/82	15.2	8.6	657	89	none	0.50
	USAA Tax Exempt-Intermediate Term/USAA	3/82	11.6	8.2	219	79	none	0.57
	USAA Tax Exempt-Short Term/USAA	3/82	7.6	6.8	181	113	none	0.65
	Value Line Tax Exempt-High Yield/Value Line	3/84	9.2	9.2	156	133	none	0.66
	Van Kampen Merritt Cal Insured T-F/Van Kampen	12/85	—*	—*	6	—	4.90	1.01‡
	Van Kampen Merritt Insured Tax Free/Van Kampen	12/84	19.3	7.4	280	199	4.90	0.89
	Van Kampen Merritt T-F High Income/Van Kampen	6/85	19.6	7.2	112	721	4.90	1.13‡
	Vanguard California Insured Tax-Free/Vanguard	4/86	—*	—*	16	—	none	NA
B	**Vanguard Muni Bond-High Yield/Vanguard**	12/78	17.8	8.1	681	58	none	0.39
	Vanguard Muni Bond-Insured LT/Vanguard	9/84	17.0	7.8	615	115	none	0.36
D	**Vanguard Muni Bond-Intermediate/Vanguard**	9/77	13.6	7.6	680	80	none	0.39
C	**Vanguard Muni Bond-Long-Term/Vanguard**	9/77	16.8	7.9	561	36	none	0.39
D	**Vanguard Muni Bond-Short-Term/Vanguard**	9/77	6.5	5.9	848	70	none	0.39
	Vanguard New York Insured Tax-Free/Vanguard	4/86	—*	—*	10	—	none	NA
	Vanguard Pennsylvania Insured Tax-Free/Vanguard	4/86	—*	—*	45	—	none	NA
	Venture Muni (+) Plus/Venture	2/82	13.9	9.4	23	473	5.00r	1.50‡

Total return is for 9/30/76 to 6/30/86. For all categories other than money markets, funds are added to this section when they exceed $5 million in net assets and deleted when they drop below $2 million. Municipal bond funds graded on the five-year total return, 6/30/81 to 6/30/86. *Fund not in operation for full period. ‡Fund has 12b-1 plan (hidden load) pending or in force. b: Includes redemption fee that reverts to distributor. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Performance data: Lipper Analytical Services and CDA Investment Technologies, Inc.

Table of distributors, showing addresses and phone numbers, begins on page 186.

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Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends
	FORBES government money fund companies		6.8%
	FORBES general money fund composite		7.0%
	FORBES tax-free money fund composite		4.6%
	Money market funds specializing in US government paper		
68	**Active Assets Govt Secs Trust/Dean Witter**	7/81	6.9%
56	**Alliance Government Reserves/Alliance**	7/79	6.6
55	**Alex Brown Cash Reserve Govt/Brown & Sons**	4/82	6.9
53	**Capital Preservation Fund/Benham**	10/72	6.6
3	**Capital Preservation Fund II/Benham**	6/80	6.8
10	**Cardinal Government Securities Trust/Ohio Co**	9/80	7.1
40	**Carnegie Govt Secs Trust-Money Market/Carnegie**	4/80	6.9
19	**Cash Equivalent Fund-Govt/Kemper**	12/81	7.0
6	**Centennial Government Trust/Centennial**	11/81	6.7
62	**CMA Government Securities Fund/MLPF&S**	8/81	6.9
38	**Command Government Fund/Pru-Bache**	2/82	6.6
37	**Current Interest US Govt/Criterion**	9/82	6.7
59	**Daily Money Fund-US Treasury/Fidelity**	8/83	7.0
68	**DBL Cash Fund-Govt Secs/Drexel**	3/82	7.0
64	**Dean Witter/Sears US Gov MM Trust/Dean Witter**	2/82	6.7
36	**Delaware Treasury Reserves-Cashiers/Delaware**	4/82	6.6
79	**Dreyfus MM Instruments-Govt Sec/Dreyfus**	5/79	7.1
71	**Fidelity US Government Reserves/Fidelity**	11/81	7.1
46	**First Variable Rate Fund for Govt Income/Calvert**	12/76	6.9
1	**Franklin Federal Money Fund/Franklin**	5/80	6.4
30	**Fund for Govt Investors/Rushmore**	3/75	6.6

Funds are included in this section when they exceed $50 million in net assets and have a minimum initial investment less than $100,000. Fund must be open to individual investors. Funds are usually no-load. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. ‡Fund has 12b-1 plan (hidden load) pending or in force.

Tables of distributors, showing addresses and phone numbers, begins on page 186.

Total assets		Minimum	Annual
6/30/86 (millions)	% change '86 vs '85	initial investment	expenses per $100
$183	1%	†	$0.71‡
254	13	$1,000	1.00‡
153	8	1,500	0.47‡
1,795	–4	1,000	0.68
469	–6	1,000	0.73
408	2	1,000	0.74
148	–13	1,000	0.68
621	29	1,000	0.62‡
79	46	500	0.93‡
1,942	5	†	0.48‡
113	11	†	0.78‡
90	33	1,000	0.89‡
138	7	1,000	0.59‡
257	34	1,000	0.69‡
468	14	1,000	0.97‡
55	6	1,000	0.90
989	–2	2,500	0.64
503	34	1,000	0.77
493	–20	2,000	0.89
151	11	500	0.97‡
725	–19	2,500	0.70

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1986 Fund Ratings

Money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Minimum initial investment	Annual expenses per $100
	Forbes government money fund companies		**6.8%**				
	Forbes general money fund composite		**7.0%**				
	Forbes tax-free money fund composite		**4.6%**				
Money market funds specializing in US government paper							
31	**Government Investors Trust/GIT**	7/79	6.8%	$220	–22%	$2,000	$0.97
16	**Hilliard-Lyons Government Fund/Hilliard**	1/81	6.3	95	–16	3,000	0.80
63	**Hutton Government Fund/Hutton**	6/82	6.8	1,061	3	10,000	0.89‡
17	**Kemper Govt MM Fund/Kemper**	11/81	6.7	95	5	1,000	0.88
40	**Kidder Peabody Govt Money Fund/Kidder**	5/83	6.9	186	36	1,500	0.64
8	**Lazard Government Fund[1]/Lazard**	10/81	7.1	510	11	2,500	0.51‡
40	**Liberty US Govt Money Market Trust/Federated**	6/80	6.6	1,929	–29	500	0.98‡
49	**Mass Cash Management-Govt/Mass Financial**	2/82	6.5	51	58	1,000	0.69
50	**Merrill Lynch Government Fund/ML Boston**	9/77	7.0	1,707	1	5,000	0.40‡
65	**Merrill Lynch USA Govt Reserves/ML Funds**	11/82	6.8	237	7	5,000	0.81‡
17	**Midwest Income Trust-Short Term Govt/Leshner**	12/74	6.5	139	–6	1,000	1.00‡
28	**National Liquid Reserves-Government/Smith Barney**	5/84	6.9	102	50	1,000	0.59
66	**Neuberger & Berman Govt Money/Neuberger**	11/83	6.4	107	214	2,000	0.75‡
70	**Pacific Horizon-Government/Dreyfus**	3/84	7.1	896	60	1,000	0.56‡
64	**PaineWebber RMA US Govt/PaineWebber**	10/82	6.6	205	15	†	0.85
13	**Pinnacle Government Fund-Port I/Florida Mutual**	10/80	6.9	73	868	1,000	1.03‡
46	**T Rowe Price US Treasury Money Fund/Price**	6/82	6.4	148	–10	1,000	1.04
37	**Prudential-Bache Govt Secs-MM/Pru-Bache**	1/82	6.7	338	27	1,000	0.73‡
35	**Renaissance Assets Trust-Govt/First of Mich**	7/82	7.2	96	52	1,000	0.60‡
7	**Reserve Fund-Government/Resrv**	10/81	6.9	350	36	1,000	0.95‡
50	**Scudder Government Money Fund/Scudder**	11/81	6.5	157	10	1,000	0.84
88	**Shearson FMA Govt Fund/Shearson**	2/82	6.9	380	36	†	0.64
93	**Shearson Government & Agencies/Shearson**	10/80	7.2	1,619	12	2,500	0.61
40	**Short Term Income Fund-Government/Reich & Tang**	11/82	6.7	206	28	5,000	0.75‡
59	**Summit Cash Reserves Fund/ML Funds**	12/82	7.1	615	24	5,000	0.79‡
42	**Tucker Anthony Govt Secs Fund/Tucker Anthony**	2/82	6.7	186	62	2,500	0.73
46	**UMB Money Market-Federal/Jones & Babson**	11/82	7.0	104	–11	1,000	0.51
80	**United Services-US Treasury Secs/United Services**	2/82	6.0	73	–30	500	1.17
36	**Vanguard MM Reserves-Federal/Vanguard**	7/81	7.0	514	4	1,000	0.51
45	**Vantage Money Market-Government/Smith Barney**	10/82	6.9	61	–2	†	0.60
General money market funds							
63	**Active Assets Money Trust/Dean Witter**	7/81	7.2	2,232	7	†	0.55‡
48	**Alliance Capital Reserves/Alliance**	7/78	6.9	1,196	37	1,000	1.01‡
23	**American Capital Reserve Fund/American Cap**	7/74	7.0	309	33	1,000	0.93
27	**AMEV Money Fund/AMEV Investors**	11/79	6.8	77	–4	1,000	0.92‡
32	**Babson Money Market Fund-Prime/Jones & Babson**	3/80	6.8	57	–1	1,000	0.89

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1986 Fund Ratings

Money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months	Total assets		Minimum initial investment	Annual expenses per $100
			return from income dividends	6/30/86 (millions)	% change '86 vs '85		
	Forbes government money fund companies		**6.8%**				
	Forbes general money fund composite		**7.0%**				
	Forbes tax-free money fund composite		**4.6%**				
	General money market funds						
31	**Birr, Wilson Money Fund/Birr, Wilson**	3/81	6.3%	$64	21%	$1,000	$1.35‡
54	**Boston Co Cash Mgmt Fund/Boston Co**	8/79	7.0	247	4	1,000	0.85‡
35	**Alex Brown Cash Reserve-Prime/Brown & Sons**	8/81	7.1	702	10	1,500	0.59‡
22	**Bull & Bear Dollar Reserves/Bull & Bear**	6/80	7.0	76	2	1,000	1.12‡
31	**Calvert Social Invest Fund-MM/Calvert**	11/82	6.9	54	20	1,000	0.83‡
13	**Capital Cash Management Trust/Aquila**	7/74	7.1	77	–19	1,000	0.71‡
39	**Cash Assets Trust/Aquila**	11/84	7.1	72	0	1,000	0.73‡
38	**Cash Equivalent Fund-MM/Kemper**	3/79	7.1	5,279	11	1,000	0.75‡
15	**Cash Management Trust of America/American Funds**	11/76	7.2	659	20	5,000	0.50
55	**Cash Reserve Management/Hutton**	1/77	7.2	4,039	–10	10,000	0.59‡
41	**CBA Money Fund/ML Funds**	6/84	7.3	134	NM	†	0.56‡
31	**Centennial Money Market Trust/Centennial**	11/81	6.7	171	16	1,000	1.05‡
20	**Churchill Cash Reserves Trust/Aquila**	7/85	—*	94	—	1,000	0.24‡
59	**Cigna Money Market Fund/Cigna**	1/75	6.9	180	–21	500	0.75‡
65	**CMA Money Fund/MLPF&S**	9/77	7.2	18,152	7	†	0.56‡
31	**Columbia Daily Income Company/Columbia**	11/74	6.8	433	–2	1,000	0.82‡
40	**Command Money Fund/Pru-Bache**	2/82	7.0	1,273	20	†	0.69‡
23	**Composite Cash Management/Murphey Favre**	11/79	6.7	128	–13	1,000	0.95‡
29	**Connecticut Mutual Liquid Account/Conn Mutual**	3/82	6.7	67	–16	1,000	1.00
41	**Cortland Trust-General Money Market/Cortland**	7/85	—*	301	219	1,000	0.98‡
40	**Current Interest-Money Market/Criterion**	6/74	6.8	929	10	1,000	0.97‡
33	**Daily Cash Accumulation Fund/Centennial**	7/78	7.0	2,522	19	500	0.80‡
39	**Daily Dollar Reserves/Reich & Tang**	6/83	7.0	239	52	5,000	0.82‡
45	**Daily Income Fund/Reich & Tang**	7/74	7.1	485	7	5,000	0.71‡
34	**Daily Money Fund-Money Market/Fidelity**	4/83	7.2	355	53	1,000	0.59‡
43	**DBL Cash Fund-Money Market/Drexel**	2/81	7.2	1,486	17	1,000	0.66‡
60	**Dean Witter/Sears Liquid Asset/Dean Witter**	9/75	7.3	6,708	3	5,000	0.63‡
33	**Delaware Cash Reserve/Delaware**	6/78	7.1	1,237	–13	1,000	0.81
53	**Dreyfus Liquid Assets/Dreyfus**	1/74	7.2	7,771	–6	2,500	0.66
62	**Dreyfus MM Instruments-Money Market/Dreyfus**	4/75	7.2	658	–14	50,000	0.64
31	**Eaton Vance Cash Mgmt Fund/Eaton Vance**	1/75	6.9	180	–7	1,000	0.72
49	**EGT Money Market Trust/Eppler Guerin**	4/81	6.7	61	–21	1,000	1.13
44	**Equitable MM Account-General Purpose/Bullock**	10/80	6.8	196	–18	1,000	0.99‡
54	**Fidelity Cash Reserves/Fidelity**	5/79	7.1	4,392	6	1,000	0.82
49	**Fidelity Daily Income Trust/Fidelity**	5/74	7.2	2,465	–2	10,000	0.63
29	**Fidelity Select-Money Market/Fidelity**	8/85	—*	230	—	1,000	NA
18	**Financial Daily Income Shares/Financial Prog**	3/76	6.9	199	–10	1,000	0.80

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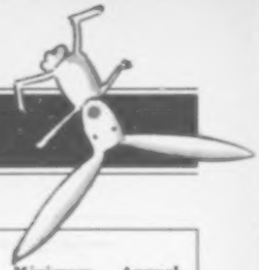
Table of distributors, showing addresses and phone numbers, begins on page 186.



1986 Fund Ratings

Money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Minimum initial investment	Annual expenses per $100
	Forbes government money fund companies		6.8%				
	Forbes general money fund composite		7.0%				
	Forbes tax-free money fund composite		4.6%				
	General money market funds						
27	**First American Money Fund/Fidelity**	4/82	7.4%	$59	–5%	$1,000	$0.54‡
26	**First Investors Cash Mgmt Fund/First Investors**	10/78	6.7	277	–23	1,000	0.95‡
33	**First Lakeshore Money Market Fund/Dreyfus**	2/86	—*	74	—	1,000	NA‡
29	**Franklin Money Fund/Franklin**	1/76	6.7	970	–3	500	0.96‡
97	**General MM Fund/Dreyfus**	2/82	6.9	543	26	2,500	0.98‡
51	**Gradison Cash Reserves Trust/Gradison**	5/76	7.0	418	–6	1,000	0.82‡
45	**John Hancock Cash Management Trust/Hancock**	10/79	6.8	322	–16	1,000	1.00‡
46	**High Yield Cash Trust/Federated**	6/82	7.8	136	160	25,000	NA
21	**Wayne Hummer Money Fund Trust/Hummer**	4/82	6.7	82	19	500	0.98
56	**Hutton AMA Cash Fund/Hutton**	3/82	7.2	2,013	7	†	0.61‡
54	**Hutton Investment-Short Term Invest/Hutton**	1/82	6.0	137	29	500	1.75‡
36	**IDS Cash Management Fund/IDS**	10/75	7.1	864	–4	2,000	0.67‡
44	**Integrated Money Market Securities/Integrated**	10/84	6.9	219	221	1,000	1.09‡
45	**ED Jones Daily Passport Cash/Jones & Co**	5/80	6.8	650	6	1,000	1.03
38	**Kemper Money Market Fund/Kemper**	11/74	7.4	4,694	–2	1,000	0.53
41	**Keystone Liquid Trust/Keystone**	7/75	6.7	332	54	1,000	1.00‡
37	**Kidder Peabody Premium Account/Kidder**	5/82	7.1	625	50	†	0.60
23	**Lazard Cash Management Fund[2]/Lazard**	1/81	7.1	736	–17	2,500	0.64‡
38	**Legg Mason Cash Reserve Trust/Legg Mason**	10/78	6.8	272	20	5,000	0.87
45	**Lehman Management Cash Reserves Fund/Lehman**	6/86	—*	276	–69	1,000	0.39
36	**Lexington MM Trust/Lexington**	7/78	7.2	220	2	1,000	0.88‡
24	**Liquid Capital Income Trust/Carnegie**	11/74	7.1	1,237	1	1,000	0.75
34	**Liqui[illegible] Green Trust/Unified**	11/80	6.9	185	–3	1,000	0.87‡
28	**L[illegible]tt Cash Reserve Fund/Lord Abbett**	7/79	6.8	194	8	1,000	0.89
46	**M[illegible]a Management-Prime/Mass Financial**	12/75	7.0	615	–6	1,000	0.80
31	**McDonald Money Market Fund/McDonald**	5/81	6.7	154	–7	500	1.01‡
47	**Merrill Lynch Institutional Fund/ML Boston**	12/74	7.3	1,342	–7	25,000	0.40‡
69	**Merrill Lynch Ready Assets Trust/ML Funds**	2/75	7.2	11,886	–4	5,000	0.49‡
62	**Merrill Lynch Retirement Reserves MM/ML Funds**	4/82	6.9	2,549	32	none	1.00‡
46	**Money Market Management/Federated**	1/74	6.9	224	–12	1,000	0.89
39	**Morgan Keegan Daily Cash Trust/Morgan Keegan**	12/80	6.7	85	5	5,000	1.03
30	**Mutual of Omaha Cash Reserve/Mutual of Omaha**	3/81	6.7	57	8	none	1.09‡
32	**Mutual of Omaha MM Account/Mutual of Omaha**	7/79	6.9	240	–10	1,000	0.82
30	**National Liquid Reserves-Cash/Smith Barney**	8/74	7.1	1,251	–10	1,000	0.62
27	**National Liquid Reserves-Retirement/Smith Barney**	2/86	—*	260	—	none	NA
39	**Nationwide Money Market Fund/Nationwide**	3/80	7.0	429	–8	1,000	0.77
54	**NEL Cash Management Trust-MM/NEL**	7/78	7.0	733	–11	1,000	0.75

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1986 Fund Ratings

Money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets		Minimum initial investment	Annual expenses per $100
				6/30/86 (millions)	% change '86 vs '85		
	FORBES government money fund companies FORBES general money fund composite FORBES tax-free money fund composite		6.8% 7.0% 4.6%				

General money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	6/30/86 (millions)	% change '86 vs '85	Minimum initial investment	Annual expenses per $100
30	**Oppenheimer Money Market Fund/Oppenheimer Inv**	4/74	7.0%	$738	–19%	$1,000	$0.77
15	**Oxford Cash Management Fund/Craigie**	2/83	7.1	151	–9	1,000	0.59‡
19	**Pacific Horizon-Money Market/Dreyfus**	3/84	7.2	583	96	1,000	0.57‡
33	**PaineWebber Cashfund/PaineWebber**	5/78	7.1	4,168	2	5,000	0.57
36	**PaineWebber RMA Money Market/PaineWebber**	10/82	6.5	1,741	46	†	0.76
31	**Parkway Cash Fund/Parkway**	11/79	6.8	125	–67	1,000	1.00‡
40	**T Rowe Price Prime Reserve Fund/Price**	3/76	7.1	2,917	–7	1,000	0.65
33	**Prime Cash Fund/Johnson**	4/83	7.1	167	23	1,000	0.61‡
42	**Prudential-Bache Moneymart Assets/Pru-Bache**	6/76	7.1	4,051	22	1,000	0.62‡
45	**Putnam Daily Dividend Trust/Putnam**	9/76	7.0	277	2	1,000	0.85
42	**Renaissance Assets Trust-MM/First of Mich**	7/82	7.3	217	59	1,000	0.63‡
21	**Reserve Fund-Primary/Resrv**	11/71	6.9	1,651	6	1,000	0.88‡
15	**LF Rothschild Earnings & Liquidity/Rothschild**	4/82	6.9	455	35	100	0.74
22	**St Clair Money Market Fund/Fairfield**	11/84	6.9	74	65	500	0.77
39	**Scudder Cash Investment Trust/Scudder**	7/76	7.1	1,104	7	1,000	0.68
19	**Security Cash Fund/Security**	10/80	6.9	55	17	1,000	1.00
28	**Seligman Cash Management-Prime/Seligman**	1/77	6.8	329	–4	2,000	0.91
40	**Shearson Daily Dividend/Shearson**	6/79	7.1	3,696	5	2,500	0.74
39	**Shearson FMA Cash Fund/Shearson**	2/82	7.1	1,412	26	†	0.65
36	**Short Term Asset Reserves/Moseley**	12/84	7.2	200	169	1,000	0.68‡
41	**Short Term Income Fund-MM/Reich & Tang**	1/80	6.9	508	44	5,000	0.79‡
39	**Standby Reserve Fund/Cowen**	11/81	7.0	309	13	2,000	0.75
31	**SteinRoe Cash Reserves/Stein Roe**	10/76	7.0	790	4	2,500	0.72
31	**Transamerica Cash Reserve/Transamerica**	8/80	7.3	317	33	500	0.55
26	**Trinity Liquid Assets Trust/Russell**	1/83	7.2	364	32	1,000	0.57‡
41	**Trust for Cash Reserves/Milwaukee Co**	2/80	6.8	188	25	1,000	1.05
41	**Tucker Anthony Cash Mgmt Fund/Tucker Anthony**	4/81	6.8	520	11	2,500	0.84
79	**20th Century Cash Reserve/20th Century**	3/85	6.8	71	492	none	1.01
35	**UMB Money Market-Prime/Jones & Babson**	11/82	7.1	61	–23	1,000	0.51
69	**United Cash Management/Waddell & Reed**	8/79	7.1	284	–12	1,000	1.07‡
47	**USAA Mutual-MM Fund/USAA**	2/81	7.0	275	6	1,000	0.94
68	**Value Line Cash Fund/Value Line**	4/79	7.2	452	–1	1,000	0.79
20	**Vanguard MM Reserves-Insured/Vanguard**	2/83	6.6	52	–2	1,000	0.96
38	**Vanguard MM Reserves-Prime/Vanguard**	6/75	7.2	1,969	19	1,000	0.51
30	**Vantage Money Market-Cash/Smith Barney**	10/82	7.1	355	22	†	0.60
37	**Webster Cash Reserve/Kidder**	8/79	7.0	1,550	13	1,500	0.66
58	**Working Assets Money Fund/Working Assets**	8/83	6.7	85	36	1,000	1.08‡

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Table of distributors, showing addresses and phone numbers, begins on page 186.

Presenting the newest expression of Cross excellence.
CROSS
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New Gray by Cross. Classic Cross excellence in a contemporary new satin gray finish. Shown, our ball pen, $15 and fountain pen, $45. Mechanical pencil and Selectip Rolling Ball™ pen are also available.

Unquestionably guaranteed against mechanical failure, regardless of age.

1986 Fund Ratings

Money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends
	Forbes government money fund companies		6.8%
	Forbes general money fund composite		7.0%
	Forbes tax-free money fund composite		4.6%
	Tax-exempt money market funds		
14	**Active Assets Tax-Free Trust/Dean Witter**	7/81	4.6%
90	**Alliance Tax-Exempt Reserves/Alliance**	1/83	4.7
8	**Benham Calif Tax-Free Trust-MM/Benham**	11/83	4.3
55	**Boston Co Massachusetts Tax Free/Boston Co**	7/83	4.7
81	**Calvert Tax-Free Reserves-MM/Calvert**	4/81	4.4
40	Cardinal Tax Exempt Money Trust/Ohio Co	9/83	4.6
18	Carnegie Tax Free Income Trust/Carnegie	8/82	4.6
50	Centennial Tax Exempt Trust/Centennial	9/81	4.5
38	CMA Tax-Exempt Fund/MLPF&S	1/81	4.6
75	Command Tax-Free Fund/Pru-Bache	2/82	4.9
43	**Connecticut Daily Tax Free Income/Reich & Tang**	5/85	4.4
71	**Cortland Trust-Tax-Free Money Market/Cortland**	6/85	4.1
34	**Current Interest-Tax Free/Criterion**	5/83	4.4
55	**Daily Tax Free Income Fund/Reich & Tang**	11/82	4.7
42	**DBL Tax-Free Fund-Money Market/Drexel**	4/83	4.7
12	Dean Witter/Sears Tax-Free Daily Income/Dean Witter	2/81	4.8
52	Delaware Tax-Free Money Fund/Delaware	9/81	4.4
56	Dreyfus Calif Tax Exempt Money Market/Dreyfus	1/86	—*
65	Dreyfus General Tax Exempt Money Market/Dreyfus	12/83	4.8
67	Dreyfus Tax Exempt MM Fund/Dreyfus	8/80	4.7
26	**Eaton Vance Tax-Free Reserves/Eaton Vance**	12/82	4.8
102	**Empire Tax Free Money Market/Reich & Tang**	5/84	4.4
54	**Federated Tax-Free Trust/Federated**	3/79	4.6
37	**Fidelity Calif Tax-Fre. Money Market/Fidelity**	7/84	4.7
29	**Fidelity Mass Tax-Free-Money Market/Fidelity**	11/83	4.7
88	Fidelity NY Tax-Free-Money Market[3]/Fidelity	7/84	4.6
69	Fidelity Tax-Exempt MM Trust/Fidelity	1/80	4.9
45	First Lakeshore Tax Exempt Money Market/Dreyfus	2/86	—*
27	Franklin Calif Tax-Exempt Money Fund/Franklin	9/85	—*
69	Franklin Tax-Exempt Money Fund/Franklin	2/82	4.8
82	**IDS Tax-Free Money Fund/IDS**	8/80	4.5
55	**Kidder Peabody Tax Exempt MM/Kidder**	7/83	4.7
37	**Lazard Tax-Free Reserves-Money Market[4]/Lazard**	10/82	4.8
29	**Legg Mason Tax Exempt Trust/Legg Mason**	7/83	4.4
75	**Lehman Management Tax-Free Reserves Fund/Lehman**	1/86	—*

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Table of distributors, showing addresses and phone numbers, begins on page 186.

Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Minimum initial investment	Annual expenses per $100
$953	49%	†	$0.62‡
779	155	$1,000	0.83‡
164	81	1,000	0.96
111	13	1,000	0.55‡
503	77	2,000	0.71
62	69	1,000	0.78‡
331	164	1,000	0.69
468	256	500	0.83‡
7,317	55	†	0.56‡
545	55	†	0.75‡
156	623	5,000	0.56‡
53	37	1,000	1.03‡
107	69	1,000	0.84‡
1,187	29	5,000	0.72‡
557	84	1,000	0.70‡
962	72	5,000	0.68‡
71	35	5,000	0.79
83	—	2,500	NA
572	156	2,500	0.62‡
2,560	12	5,000	0.56
57	20	1,000	0.60
162	318	5,000	0.73‡
3,818	11	25,000	0.45
165	531	2,500	0.60
327	192	2,500	0.64
228	316	2,500	0.60
3,873	10	5,000	0.35
141	—	1,000	NA‡
141	—	500	NA
132	56	500	0.80‡
99	41	2,000	0.69‡
911	90	1,500	0.58
474	22	2,500	0.64‡
95	97	5,000	0.75‡
117	—	1,000	0.41

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THE Vanguard GROUP OF INVESTMENT COMPANIES

1986 Fund Ratings

Money market funds

Portfolio average maturity days	Fund/distributor	Date started	Latest 12 months return from income dividends	Total assets 6/30/86 (millions)	Total assets % change '86 vs '85	Minimum initial investment	Annual expenses per $100
	Forbes government money fund companies		**6.8%**				
	Forbes general money fund composite		**7.0%**				
	Forbes tax-free money fund composite		**4.6%**				
	Tax-exempt money market funds						
86	**Lexington Tax Free Money Fund/Lexington**	10/77	4.8%	$130	73%	$1,000	$0.73‡
64	**McDonald Tax Exempt Money Market/McDonald**	8/85	—*	98	—	500	0.80‡
65	**Midwest Group Tax Free-MM/Leshner**	9/81	5.1	137	150	2,500	0.95‡
95	**Money Management Plus-Tax Free/Calvert**	10/84	4.9	94	193	2,000	0.72‡
37	**Municipal Cash Reserve Management/Hutton**	5/81	4.9	2,203	42	[illegible],000	0.49‡
43	**Neuberger & Berman Tax-Free Money/Neuberger**	12/84	4.7	162	85	2,000	0.59‡
12	**Nuveen California Tax-Free-Money Market/Nuveen**	4/86	—*	81	—	5,000	NA‡
37	**Nuveen Tax-Exempt MM Fund/Nuveen**	4/81	4.9	2,324	19	25,000	0.40
29	**Nuveen Tax-Free Reserves/Nuveen**	11/82	4.7	246	95	1,000	0.75‡
58	**AT Ohio Tax-Free Money Fund/Federated**	7/85	—*	166	—	none	0.47
33	**Pacific Horizon-Tax-Exempt Money Market/Dreyfus**	3/84	4.3	58	–19	1,000	0.79‡
28	**Paine Webber RMA Tax-Free/PaineWebber**	10/82	4.5	885	83	†	0.63
71	**Park Ave NY Tax Exempt Money Market Fund/Dreyfus**	11/84	4.4	205	118	2,500	0.84‡
85	**T Rowe Price Tax-Exempt Money Fund/Price**	4/81	4.7	1,162	11	1,000	0.61
94	**Prudential-Bache Muni-NY Money Market/Pru-Bache**	4/85	4.8	99	843	1,000	0.45‡
79	**Prudential-Bache Tax-Free Money Fund/Pru-Bache**	8/79	4.8	709	109	1,000	0.79‡
69	**Reserve New York Tax-Exempt-NY/Resrv**	11/83	4.1	82	23	1,000	1.00‡
60	**Reserve Tax-Exempt Trust-Connecticut/Resrv**	4/85	4.7	203	367	1,000	0.70‡
65	**Reserve Tax-Exempt-Trust-Interstate/Resrv**	11/83	4.5	247	31	1,000	1.00‡
10	**LF Rothschild Exempt Fund/Rothschild**	11/83	4.7	132	55	100	0.78
62	**St Clair Tax-Free Money Market Fund/Fairfield**	9/85	—*	82	—	500	0.36
32	**Scudder Tax-Free Money Fund/Scudder**	1/80	4.5	324	26	1,000	0.63
22	**Shearson California Daily Tax-Free/Shearson**	11/85	—*	108	—	2,500	NA
47	**Shearson Daily Tax-Free Dividend/Shearson**	10/82	4.6	699	55	2,500	0.65
39	**Shearson FMA Municipal Fund/Shearson**	3/82	4.5	890	65	†	0.63
77	**Shearson NY Daily Tax-Free Fund/Shearson**	11/85	—*	106	—	2,500	NA
29	**SteinRoe Tax-Exempt Money Fund/Stein Roe**	3/83	4.3	209	37	2,500	0.72
42	**Tax-Exempt MM Fund/Kemper**	7/82	4.7	1,362	129	1,000	0.63‡
26	**Tax-Free Accounts/Nuveen**	12/83	4.7	253	52	none	0.55‡
34	**Tax-Free Cash Reserve-General/Brown & Sons**	3/83	4.8	270	299	10,000	0.48‡
52	**Tax-Free Instruments Trust/Federated**	12/82	4.5	1,257	41	500	0.55‡
50	**Tax Free Money Fund/Smith Barney**	4/81	4.7	866	69	5,000	0.56
55	**Tucker Anthony Tax-Exempt Money/Tucker Anthony**	12/82	4.7	159	74	2,500	0.47
57	**UMB Tax-Free MM Fund/Jones & Babson**	12/82	4.8	60	72	1,000	0.53
43	**USAA Tax Exempt Fund-Money Market/USAA**	2/84	5.2	218	353	10,000	0.59
73	**Vanguard Muni Bond-MM/Vanguard**	5/80	4.9	1,038	67	3,000	0.39

Funds are included in this section when they exceed $50 million in net assets and have a minimum initial investment less than $100,000. Fund must be open to individual investors. Funds are usually no-load. *Fund not in operation for full period. †Fund is offered as part of an integrated financial service account that has a minimum initial investment. ‡Fund has 12b-1 plan (hidden load) pending or in force. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on page 186.

Closed-end funds

Closed-end funds aren't exactly distributed, since they don't issue new shares to new investors. Instead, old shares are bought like other stocks. And some can be bought at a discount to the net asset value behind them. The list below covers stock and balanced closed-ends only.

Fund	% premium (+) or discount (–)	Fund	% premium (+) or discount (–)	Fund	% premium (+) or discount (–)
Adams Express Co.	–13.5%	Emerging Medical Technology	–3.1%	Mexico Fund	–25.7%
American Capital Convertible Secs[1]	–1.4	Engex	–23.3	Petroleum & Resources Corp	+5.4
ASA Limited	–30.3	First Australia Fund[1]	–16.5	Pilgrim Regional Bankshares	0.0
Baker, Fentress & Co	–15.7	First Financial Fund	–3.8	Scandinavia Fund	–9.1
Bancroft Convertible Fund[1]	–1.4	General American Investors	–13.5	Source Capital	+7.0
Central Securities	–11.5	Growth Stock Outlook Trust	+0.7	Spectra Fund	–48.7
Castle Convertible Fund[1]	+3.6	Italy Fund	–8.1	Tri-Continental Corp	–11.7
CL Assets	–22.6	Japan Fund	–18.7	Z-Seven Fund	+27.2
Claremont Capital	–5.9	Korea Fund	+49.4		
Ellsworth Conv Growth & Income	+4.8	Lehman Corp	–10.9		

[1] Balanced funds

Fund distributors

Fund distributors market shares and provide prospectuses. Funds that don't have separate distributors are listed here under the name of the fund itself. The "exchange privilege" refers to a provision for switching to other funds—which in some cases are too small to be listed here.

Fund distributor	Type of fund
Acorn Fund 2 North LaSalle Street Chicago, IL 60602 312-621-0630* (local) Exchange privilege: Yes	
Acorn Fund	stock
Advest Group 280 Trumbull Street Hartford, CT 06103 203-525-1421 (local) 800-243-8115 (out of state) Exchange privilege: No	
Advantage Government Securities Fund	bond & preferred
Advantage Growth Fund	stock
Advantage Income Fund	balanced
AFA Distributors 50 Broad Street New York, NY 10004 [illegible] 482-8100* (local) Exchange privilege: Yes	
National Aviation & Technology	stock
National Telecommunications & Technology	stock
Afuture Fund Legal Arts Building Front & Lemon Streets Media, PA 19063 215-565-3131* (local) 800-523-7594 (out of state) Exchange privilege: No	
Afuture Fund	stock

Fund distributor	Type of fund
AIM Distributors 11 Greenway Plaza Suite 1919 Houston, TX 77046 800-392-9681 (local) 800-231-0803 (out of state) Exchange privilege: Yes	
Associated Planners Stock Fund	stock
Charter Fund	stock
Constellation Growth Fund	stock
Convertible Yield Securities	balanced
Greenway Fund	stock
High Yield Securities	bond & preferred
Summit Investor's	stock
Weingarten Equity Fund	stock
Alliance Fund Distributors 140 Broadway New York, NY 10005 212-902-4135 (local) 800-221-5672 (all states) Exchange privilege: Yes	
Alliance Bond Fund-High Grade	bond & preferred
Alliance Bond Fund-High Yield	bond & preferred
Alliance Bond Fund-US Government	bond & preferred
Alliance Capital Reserves	money market
Alliance Convertible Fund	stock
Alliance Counterpoint Fund	stock
Alliance Government Reserves	money market
Alliance International Fund	foreign
Alliance Mortgage Secs Income Fund	bond & preferred
Alliance Tax-Exempt Reserves	money market
Alliance Technology Fund	stock
Chemical Fund	stock
deVegh Mutual Fund	stock
Neuwirth Fund	stock
Pine Street Fund	stock
Quasar Associates	stock
Surveyor Fund	stock

*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
AMA Advisors PO Box 1111 Blue Bell, PA 19422 215-825-0400* (local) 800-523-0864 (out of state) Exchange privilege: Yes	
Medical Technology Fund	stock
AMA Growth Fund	stock
AMA Income Fund	bond & preferred
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 713-993-0500* (local) 800-231-3638 (out of state) Exchange privilege: Yes	
American Capital California Tax-Exempt	municipal bond
American Capital Comstock Fund	stock
American Capital Corp Bond Fund	bond & preferred
American Capital Enterprise Fund	stock
American Capital Federal Mortgage Trust	bond & preferred
American Capital Government Secs	bond & preferred
American Capital Harbor Fund	balanced
American Capital High Yield Investment	bond & preferred
American Capital Muni Bond Fund	municipal bond
American Capital OTC Secs	stock
American Capital Pace Fund	stock
American Capital Reserve Fund	money market
American Capital Tax-Exempt-High Yield	municipal bond
American Capital Tax-Exempt-Insured	municipal bond
American Capital Tax-Exempt-New York	municipal bond
American Capital Venture Fund	stock
Fund of America	stock
Provident Fund for Income	balanced
American Funds Distributors 333 South Hope Street Los Angeles, CA 90071 213-486-9200 (local) 800-421-9900 (out of state) Exchange privilege: Yes	
AMCAP Fund	stock
American Balanced Fund	balanced
American Funds Income-US Govt Guaranteed	bond & preferred
American Mutual Fund	stock
Bond Fund of America	bond & preferred
Cash Management Trust of America	money market
EuroPacific Growth Fund	foreign
Fundamental Investors	stock
Growth Fund of America	stock
Income Fund of America	balanced
Investment Company of America	stock
New Economy Fund	stock
New Perspective Fund	stock
Tax-Exempt Bond Fund of America	municipal bond
Washington Mutual Investors Fund	stock
American Growth Fund Sponsors 410 17th Street Suite 800 Denver, CO 80202 303-623-6137* (local) 800-525-2406 (out of state) Exchange privilege: Yes	
American Growth Fund	stock
American Investment Managers 107 North Adams Street Rockville, MD 20850 301-251-1002* (local) 800-638-2042 (out of state) Exchange privilege: Yes	
Dividend/Growth-Dividend Series	stock

Fund distributor	Type of fund
American Investors PO Box 2500 Greenwich, CT 06836 203-531-5000 (local) 800-243-5353 (out of state) Exchange privilege: Yes	
American Investors Fund	stock
American Investors Income Fund	bond & preferred
American Pension Investors PO Box 2529 Lynchburg, VA 24501 800-533-4115 (local) 800-544-6060 (out of state) Exchange privilege: No	
American Pension Investors Trust	stock
AMEV Investors PO Box 64284 St Paul, MN 55164 800-328-1001 (local) 800-872-2638 (out of state) Exchange privilege: Yes	
AMEV Capital Fund	stock
AMEV Fiduciary Fund	stock
AMEV Growth Fund	stock
AMEV Money Fund	money market
AMEV US Govt Secs Fund	bond & preferred
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715 714-833-0294* (local) Exchange privilege: No	
Analytic Optioned Equity Fund	stock
Angeles/Quinoco Securities 10301 West Pico Boulevard Los Angeles, CA 90064 213-277-4900 (local) 800-421-4374 (out of state) Exchange privilege: No	
FPA Capital Fund	stock
FPA New Income Fund	bond & preferred
FPA Paramount Fund	stock
FPA Perennial Fund	stock
Aquila Distributors 200 Park Avenue Suite 4515 New York, NY 10017 212-697-6666 (local) 800-228-4227 (out of state) Exchange privilege: Yes	
Capital Cash Management Trust	money market
Cash Assets Trust	money market
Churchill Cash Reserves Trust	money market
Hawaiian Tax-Free Trust	municipal bond
Tax-Free Trust of Arizona	municipal bond
Armstrong Associates 311 North Market Street Dallas, TX 75202 214-744-5558 (local) Exchange privilege: No	
Armstrong Associates	stock

*Will accept collect calls

1986 Fund Ratings

Fund distributor	Type of fund
Axe-Houghton Securities 400 Benedict Avenue Tarrytown, NY 10591 914-631-8131* (local) 800-431-1030 (out of state) Exchange privilege: Yes	
Axe-Houghton Fund B	balanced
Axe-Houghton Income Fund	bond & preferred
Axe-Houghton Stock Fund	stock
Bailard, Biehl & Kaiser International Fund 951 Mariner's Island Boulevard Suite 700 San Mateo, CA 94404 415-571-5800 (local) Exchange privilege: No	
Bailard, Biehl & Kaiser International	foreign
Bartlett Capital Trust 36 East Fourth Street Cincinnati, OH 45202 513-621-0066 (local) 800-543-0863 (out of state) Exchange privilege: Yes	
Bartlett Capital Trust-Basic Value	stock
Bartlett Capital Trust-Fixed Income	bond & preferred
Beacon Hill Mutual Fund 75 Federal Street Boston, MA 02110 617-482-0795 (local) Exchange privilege: No	
Beacon Hill Mutual Fund	stock
Benham Capital Management 755 Page Mill Road Palo Alto, CA 94304 415-858-2400 (local) 800-472-3389 (out of state) Exchange privilege: Yes	
Benham Calif Tax-Free Trust-Intermediate	municipal bond
Benham Calif Tax-Free Trust-Long-Term	municipal bond
Benham Calif Tax-Free Trust-MM	money market
Benham Government Income Trust-GNMA	bond & preferred
Benham National Tax-Free-Intermediate	municipal bond
Benham National Tax-Free-Long-Term	municipal bond
Benham Target Maturities Trust-1990	bond & preferred
Capital Preservation Fund	money market
Capital Preservation Fund II	money market
Capital Preservation Treasury Note	bond & preferred
Berger Associates 899 Logan Street Suite 211 Denver, CO 80203 303-837-1020 (local) Exchange privilege: Yes	
One Hundred Fund	stock
Birr, Wilson & Co 155 Sansome Street San Francisco, CA 94104 415-983-7700 (local) Exchange privilege: No	
Birr, Wilson Money Fund	money market

Fund distributor	Type of fund
Boston Co Funds Distributor One Boston Place Boston, MA 02108 617-956-9740* (local) 800-343-6324 (out of state) Exchange privilege: Yes	
Boston Co Capital Appreciation Fund	stock
Boston Co Cash Mgmt Fund	money market
Boston Co GNMA Fund	bond & preferred
Boston Co Managed Income Fund	bond & preferred
Boston Co Massachusetts Tax-Free	money market
Boston Co Special Growth	stock
Boston Co Tax-Free Muni-Bond Fund	municipal bond
Boston Co Tax-Free Muni-Mass Bond Fund	municipal bond
Boston Mutual Sales Corp 120 Royall Street Canton, MA 02021 617-828-7000 (local) Exchange privilege: No	
Boston Mutual Fund	stock
Brandywine Fund PO Box 4166 Greenville, DE 19807 302-656-3017 (local) Exchange privilege: No	
Brandywine Fund	stock
Bridges Investment Fund 256 Durham Plaza 8401 West Dodge Road Omaha, NE 68114 402-397-4700 (local) Exchange privilege: No	
Bridges Investment Fund	stock
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 301-727-1700 (local) 800-638-2596 (out of state) Exchange privilege: Yes	
Alex Brown Cash Reserve-Govt	money market
Alex Brown Cash Reserve-Prime	money market
Tax-Free Cash Reserve-General	money market
Bull & Bear Group 11 Hanover Square New York, NY 10005 212-363-1100 (local) 800-847-4200 (out of state) Exchange privilege: Yes	
Bull & Bear Capital Growth Fund	stock
Bull & Bear Dollar Reserves	money market
Bull & Bear Equity-Income Fund	stock
Bull & Bear High Yield Fund	bond & preferred
Bull & Bear Tax-Free Income Fund	municipal bond
Bull & Bear US Govt Guaranteed Secs Fund	bond & preferred
Golconda Investors	stock

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*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Calvin Bullock 40 Rector Street New York, NY 10006 212-513-4200 (local) 800-221-5757 (out of state) Exchange privilege: Yes	
Bullock Aggressive Growth Shares	stock
Bullock Balanced Shares	balanced
Bullock Dividend Shares	stock
Bullock Growth Shares	stock
Bullock High Income Shares	bond & preferred
Bullock Insured Calif Tax-Exempt Shares	municipal bond
Bullock Monthly Income Shares	bond & preferred
Bullock Tax-Free Shares	municipal bond
Bullock US Government Income Shares	bond & preferred
Canadian Fund	foreign
Equitable MM Account-General Purpose	money market
Calvert Group 1700 Pennsylvania Avenue NW Washington, DC 20006 301-951-4820* (local) 800-368-2747 (out of state) Exchange privilege: Yes	
Calvert Fund-Equity	stock
Calvert Fund-Income	bond & preferred
Calvert Fund-Washington Area Growth	stock
Calvert Social Investment-Managed Growth	balanced
Calvert Social Investment-MM	money market
Calvert Tax-Free Reserves-Limited	municipal bond
Calvert Tax-Free Reserves-Long-Term	municipal bond
Calvert Tax-Free Reserves-MM	money market
First Variable Rate Fund for Govt Income	money market
Money Management Plus-Tax Free	money market
Carnegie Fund Distributors 1331 Euclid Avenue Cleveland, OH 44115 216-781-4440* (local) 800-321-2322 (out of state) Exchange privilege: Yes	
Carnegie-Cappiello Trust-Growth	stock
Carnegie-Cappiello Trust-Total Return	stock
Carnegie Govt Secs Trust-High Yield Govt	bond & preferred
Carnegie Govt Secs Trust-Money Market	money market
Carnegie Tax Free Income Trust	money market
Liquid Capital Income Trust	money market
Centennial Capital Corp 3410 South Galena Street Denver, CO 80231 303-671-3200 (local) 800-525-9310 (out of state) Exchange privilege: Yes	
Centennial Government Trust	money market
Centennial Money Market Trust	money market
Centennial Tax Exempt Trust	money market
Daily Cash Accumulation Fund	money market
Century Shares Trust 1 Liberty Square Boston, MA 02109 617-482-3060* (local) 800-321-1928 (out of state) Exchange privilege: No	
Century Shares Trust	stock

Fund distributor	Type of fund
Cigna Securities Hartford, CT 06152 203-726-6000 (local) 800-562-4462 (all states) Exchange privilege: Yes	
Cigna Aggressive Growth Fund	stock
Cigna Growth Fund	stock
Cigna High Yield Fund	bond & preferred
Cigna Income Fund	bond & preferred
Cigna Money Market Fund	money market
Cigna Municipal Bond Fund	municipal bond
Cigna Value Fund	stock
Colonial Investment Services One Financial Center Boston, MA 02111 617-426-3750 (local) 800-225-2365 (out of state) Exchange privilege: Yes	
Colonial Advanced Strategies Gold Trust	balanced
Colonial Equity Income Trust	stock
Colonial Fund	balanced
Colonial Government Mortgage Trust	bond & preferred
Colonial Government Securities Plus	bond & preferred
Colonial Growth Shares	stock
Colonial High Yield Securities	bond & preferred
Colonial Income Fund	bond & preferred
Colonial Option Income-Portfolio I	stock
Colonial Option Income-Portfolio II	stock
Colonial Tax-Exempt High Yield Trust	municipal bond
Colonial Tax-Exempt Insured Fund	municipal bond
Columbia Funds Management Co 1301 SW Fifth Avenue PO Box 1350 Portland, OR 97207-1350 503-222-3600* (local) 800-547-1037 (out of state) Exchange privilege: Yes	
Columbia Daily Income Company	money market
Columbia Fixed Income Secs Fund	bond & preferred
Columbia Growth Fund	stock
Columbia Municipal Bond Fund	municipal bond
Columbia Special Fund	stock
Commodore Securities 250 Piedmont Avenue Suite 1900 Atlanta, GA 30365 404-524-4415 (local) 800-367-6536 (out of state) Exchange privilege: Yes	
Alpha Fund	stock
Connecticut Mutual Financial Services 140 Garden Street Hartford, CT 06154 203-727-6850* (local) 800-243-0064 (out of state) Exchange privilege: No	
Connecticut Mutual-Government Secs	bond & preferred
Connecticut Mutual-Growth	stock
Connecticut Mutual-Income	balanced
Connecticut Mutual-Liquid Account	money market
Connecticut Mutual-Total Return	stock

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*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Conway, Luongo, Williams 3000 Sand Hill Road Building 4 – Suite 155 Menlo Park, CA 94025 415-854-9150 (local) Exchange privilege: No	
Adam Investors	stock
Copley Financial Services Corp PO Box 66 Fall River, MA 02724 617-674-8459 (local) Exchange privilege: No	
Copley Tax Managed Fund	stock
Cortland Distributors 315 State Street Hackensack, NJ 07601 201-342-6066 (local) 800-524-1566 (out of state) Exchange privilege: Yes	
Cortland Trust-General Money Market	money market
Cortland Trust-Tax-Free Money Market	money market
Country Capital Management Co PO Box 2222 Bloomington, IL 61701 309-557-2444 (local) Exchange privilege: Yes	
Country Capital Growth Fund	stock
Country Capital Income Fund	balanced
Country Capital Tax Exempt Bond	municipal bond
Cowen & Co One Battery Park Plaza New York, NY 10004 212-483-0700 (local) 800-221-5616 (out of state) Exchange privilege: No	
Standby Reserve Fund	money market
Craig-Hallum 701 Fourth Avenue South-10th Floor Minneapolis, MN 55415-1655 612-332-1212 (local) Exchange privilege: No	
General Securities	stock
Craigie 200 Park Avenue Suite 4515 New York, NY 10017 212-697-6666 (local) 800-228-4227 (out of state) Exchange privilege: No	
Oxford Cash Management Fund	money market

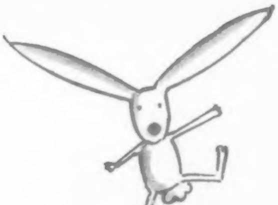
Fund distributor	Type of fund
Criterion Distributors 333 Clay Street Suite 4300 Houston, TX 77002 800-392-7802 (local) 800-231-4645 (out of state) Exchange privilege: Yes	
Commerce Income Shares	balanced
Criterion Bond-Investment Quality	bond & preferred
Criterion Bond-US Govt High Yield	bond & preferred
Current Interest-MM	money market
Current Interest-Tax Free	money market
Current Interest-US Govt	money market
Insured Quality Tax Free Bond	municipal bond
Lowry Market Timing Fund	stock
Pilot Fund	stock
Sunbelt Growth Fund	stock
Dean Witter Reynolds 1 World Trade Center–59th Floor New York, NY 10048 212-938-4554* (local) 800-221-2685 (out of state) Exchange privilege: Yes	
Active Assets Govt Secs Trust	money market
Active Assets Money Trust	money market
Active Assets Tax-Free Trust	money market
Dean Witter California Tax-Free Income	municipal bond
Dean Witter Convertible Securities	stock
Dean Witter Developing Growth Secs	stock
Dean Witter Dividend Growth Secs	stock
Dean Witter High Yield Secs	bond & preferred
Dean Witter Industry-Valued Securities	stock
Dean Witter Natural Resource Development	stock
Dean Witter NY Tax-Free Income Fund	municipal bond
Dean Witter Option Income Trust	stock
Dean Witter/Sears Liquid Asset	money market
Dean Witter/Sears Tax-Free Daily Income	money market
Dean Witter/Sears US Govt MM Trust	money market
Dean Witter Tax-Exempt Secs	municipal bond
Dean Witter US Govt Secs Trust	bond & preferred
Dean Witter World Wide Investment Trust	foreign
Delaware Distributers 10 Penn Center Plaza Philadelphia, PA 19103 215-988-1333* (local) 800-523-4640 (out of state) Exchange privilege: Yes	
Decatur Income Fund	stock
Delaware Cash Reserve	money market
Delaware Fund	stock
Delaware Group Government Fund-GNMA	bond & preferred
Delaware Group Government Fund-US Govt	bond & preferred
Delaware Tax-Free Money Fund	money market
Delaware Treasury Reserves-Cashiers	money market
Delaware Treasury Reserves-Investors	bond & preferred
Delchester Bond Fund	bond & preferred
Delta Trend Fund	stock
DMC Tax-Free Income Trust-PA	municipal bond
DMC Tax-Free Income-USA	municipal bond
DMC Tax-Free Income-USA Insured	municipal bond
Diversified Securities PO Box 357 Long Beach, CA 90801 213-595-7711 (local) Exchange privilege: No	
Investors Research Fund	stock

*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Dodge & Cox 1 Post Street 35th Floor San Francisco, CA 94104 415-981-1710 (local) Exchange privilege: Yes	
Dodge & Cox Balanced Fund	balanced
Dodge & Cox Stock Fund	stock
Drexel Burnham Lambert 60 Broad Street New York, NY 10004 212-482-1623* (local) 800-272-2700 (out of state) Exchange privilege: Yes	
DBL Cash Fund-Govt Secs	money market
DBL Cash Fund-Money Market	money market
DBL Tax-Free Fund-Limited Term	municipal bond
DBL Tax-Free Fund-Money Market	money market
Drexel Burnham Fund	stock
Drexel Series-Bond-Debenture	bond & preferred
Drexel Series-Convertible Secs	stock
Drexel Series-Emerging Growth	stock
Drexel Series-Government Securities	bond & preferred
Drexel Series-Growth	stock
Drexel Series-Option Income	stock
Fenimore International Fund	foreign
Dreyfus Service Corp 600 Madison Avenue New York, NY 10022 718-895-1206 (local) 800-645-6561 (out of state) Exchange privilege: Yes	
Dreyfus A Bonds Plus	bond & preferred
Dreyfus California Tax Exempt Bond	municipal bond
Dreyfus California Tax Exempt MM	money market
Dreyfus Capital Value Fund	stock
Dreyfus Convertible Securities Fund	balanced
Dreyfus Fund	stock
Dreyfus General Aggressive Growth Fund	stock
Dreyfus General Tax Exempt Bond Fund	municipal bond
Dreyfus General Tax Exempt Money Market	money market
Dreyfus GNMA Fund	bond & preferred
Dreyfus Growth Opportunity Fund	stock
Dreyfus Insured Tax Exempt Bond Fund	municipal bond
Dreyfus Intermediate Tax Exempt Bond	municipal bond
Dreyfus Leverage Fund	stock
Dreyfus Liquid Assets	money market
Dreyfus Massachusetts Tax Exempt Bond	municipal bond
Dreyfus MM Instruments-Govt Secs	money market
Dreyfus MM Instruments-Money Market	money market
Dreyfus New Leaders Fund	stock
Dreyfus NY Tax Exempt Bond Fund	municipal bond
Dreyfus Tax Exempt Bond Fund	municipal bond
Dreyfus Tax Exempt MM Fund	money market
Dreyfus Third Century Fund	stock
First Lakeshore Money Market Fund	money market
First Lakeshore Tax Exempt Money Market	money market
General Money Market Fund	money market
Pacific Horizon-Aggressive Growth	stock
Pacific Horizon-Calif Tax-Exempt Bond	municipal bond
Pacific Horizon-Government	money market
Pacific Horizon-High Yield Bond	bond & preferred
Pacific Horizon-Money Market	money market
Pacific Horizon-Tax-Exempt Money Market	money market
Park Ave NY Tax Exempt Intermed Bond	municipal bond
Park Ave NY Tax Exempt Money Market Fund	money market

Fund distributor	Type of fund
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 617-482-8260 (local) 800-225-6265 (out of state) Exchange privilege: Yes	
Eaton & Howard Stock Fund	stock
Eaton Vance California Munis Trust	municipal bond
Eaton Vance Cash Mgmt Fund	money market
Eaton Vance Govt Obligations Trust	bond & preferred
Eaton Vance Growth Fund	stock
Eaton Vance High Yield	bond & preferred
Eaton Vance High Yield Municipals Trust	municipal bond
Eaton Vance Income Fund of Boston	balanced
Eaton Vance Investors Fund	balanced
Eaton Vance Muni Bond Fund	municipal bond
Eaton Vance Special Equities Fund	stock
Eaton Vance Tax Free Reserves	money market
Eaton Vance Total Return Trust	stock
Leverage Fund of Boston	stock
Nautilus Fund	stock
Vance, Sanders Special Fund	stock
Eppler, Guerin & Turner PO Box 508 Dallas, TX 75221 214-880-9000 (local) Exchange privilege: No	
EGT Money Market Trust	money market
Equitec Securities PO Box 2470 Oakland, CA 94614 800-445-9052 (local) 800-445-9020 (out of state) Exchange privilege: Yes	
Equitec Siebel Aggressive Growth Fund	stock
Equitec Siebel Government Secs Fund	bond & preferred
Equitec Siebel Total Return Fund	stock
Equity Services National Life Drive Montpelier, VT 05604 802-229-3139 (local) 800-233-4332 (out of state) Exchange privilege: Yes	
Sentinel Balanced Fund	balanced
Sentinel Bond Fund	bond & preferred
Sentinel Common Stock Fund	stock
Sentinel Growth Fund	stock
Fairfield Group Prudential Business Campus 232 Lakeside Drive Horsham, PA 19044 800-222-3429 (local) 800-441-3885 (out of state) Exchange privilege: Yes	
St Clair Money Market Fund	money market
St Clair Tax-Free Money Market Fund	money market
Viking Equity Index Fund-General	stock



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*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Federated Securities Corp 421 Seventh Avenue Pittsburgh, PA 15219 412-288-1900* (local) 800-245-2423 (out of state) Exchange privilege: Yes	
American Leaders Fund	stock
Federated GNMA Trust	bond & preferred
Federated Growth Trust	stock
Federated High Income Secs Fund	bond & preferred
Federated High Yield Trust	bond & preferred
Federated Income Trust	bond & preferred
Federated Intermediate Govt Trust	bond & preferred
Federated Intermediate Municipal Trust	municipal bond
Federated Short-Intermediate Govt Trust	bond & preferred
Federated Stock & Bond Fund	balanced
Federated Stock Trust	stock
Federated Tax-Free Income Fund	municipal bond
Federated Tax-Free Trust	money market
FT International	foreign
Fund for US Govt Securities	bond & preferred
Government Income Securities	bond & preferred
High Yield Cash Trust	money market
Liberty US Govt Money Market Trust	money market
Money Market Management	money market
AT Ohio Tax-Free Money Fund	money market
Tax-Free Instruments Trust	money market
Fidelity Distributors Corp 82 Devonshire Street Boston, MA 02109 617-523-1919* (local) 800-544-6666 (out of state) Exchange privilege: Yes	
Daily Money Fund-Money Market	money market
Daily Money Fund-US Treasury	money market
Fidelity Calif Tax-Free-High Yield	municipal bond
Fidelity Calif Tax-Free-Money Market	money market
Fidelity Cash Reserves	money market
Fidelity Contrafund	stock
Fidelity Daily Income Trust	money market
Fidelity Destiny Portfolio I	stock
Fidelity Discoverer Fund	stock
Fidelity Equity-Income Fund	stock
Fidelity Flexible Bond Fund	bond & preferred
Fidelity Freedom Fund	stock
Fidelity Fund	stock
Fidelity Ginnie Mae	bond & preferred
Fidelity Government Securities Fund	bond & preferred
Fidelity Growth & Income	stock
Fidelity Growth Company Fund	stock
Fidelity High Income Fund	bond & preferred
Fidelity Magellan Fund	stock
Fidelity Mass Tax-Free-Money Market	money market
Fidelity Mass Tax-Free-Muni Bond	municipal bond
Fidelity Mortgage Secs Fund	bond & preferred
Fidelity NY Tax-Free-High Yield	municipal bond
Fidelity NY Tax-Free-Insured	municipal bond
Fidelity NY Tax-Free-Money Market	money market
Fidelity OTC Portfolio	stock
Fidelity Overseas Fund	stock

Fund distributor	Type of fund
Fidelity Distributors Corp (continued)	
Fidelity Puritan Fund	stock
Fidelity Select-American Gold	stock
Fidelity Select-Biotechnology	stock
Fidelity Select-Brokerage & Investment	stock
Fidelity Select-Chemicals	stock
Fidelity Select-Computers	stock
Fidelity Select-Defense & Aerospace	stock
Fidelity Select-Energy	stock
Fidelity Select-Financial Services	stock
Fidelity Select-Food & Agriculture	stock
Fidelity Select-Health Care	stock
Fidelity Select-Leisure	stock
Fidelity Select-Money Market	money market
Fidelity Select-Precious Metals & Minerals	stock
Fidelity Select-Property & Casualty	stock
Fidelity Select-Retailing	stock
Fidelity Select-Savings & Loan	stock
Fidelity Select-Software & Computer	stock
Fidelity Select-Technology	stock
Fidelity Select-Telecommunications	stock
Fidelity Select-Utilities	stock
Fidelity Special Situations Fund	stock
Fidelity State Tax-Free-Michigan	municipal bond
Fidelity State Tax-Free-Minnesota	municipal bond
Fidelity State Tax-Free-Ohio	municipal bond
Fidelity Tax-Exempt MM Trust	money market
Fidelity Tax-Free-Aggressive	municipal bond
Fidelity Tax-Free-High Yield	municipal bond
Fidelity Tax-Free-Insured	municipal bond
Fidelity Tax-Free-Limited Term Munis	municipal bond
Fidelity Tax-Free-Municipal Bond	municipal bond
Fidelity Texas Tax-Free	municipal bond
Fidelity Thrift Trust	bond & preferred
Fidelity Trend Fund	stock
Fidelity US Government Reserves	money market
First American Money Fund	money market
Fiduciary Management 222 East Mason Street Milwaukee, WI 53202 414-271-6666* (local) Exchange privilege: No	
Fiduciary Capital Growth Fund	stock
Financial Programs PO Box 2040 Denver, CO 80201 800-525-9769 (local) 800-525-8085 (out of state) Exchange privilege: Yes	
Financial Bond Shares-High Yield	bond & preferred
Financial Bond Shares-Select Income	bond & preferred
Financial Daily Income Shares	money market
Financial Dynamics	stock
Financial Industrial Fund	stock
Financial Industrial Income Fund	stock
Financial Tax-Free Income Shares	municipal bond
World of Technology	stock

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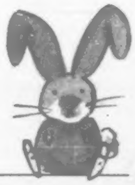

1986 Fund Ratings

Fund distributor	Type of fund
First Investors Management Co 120 Wall Street New York, NY 10005 212-208-6000 (local) 800-423-4026 (out of state) Exchange privilege: Yes	
First Investors Bond Appreciation	bond & preferred
First Investors Cash Mgmt Fund	money market
First Investors Discovery Fund	stock
First Investors Fund for Growth	stock
First Investors Fund for Income	bond & preferred
First Investors Government Fund	bond & preferred
First Investors International Secs	foreign
First Investors Natural Resources	stock
First Investors New York Tax Free	municipal bond
First Investors Ninety-Ten Fund	stock
First Investors Option Fund	stock
First Investors Tax Exempt Fund	municipal bond
First Investors US Govt Plus-2nd Series	bond & preferred
First of Michigan 100 Renaissance Center Detroit, MI 48243 313-259-2600 (local) 800-521-1264 (out of state) Exchange privilege: Yes	
Renaissance Assets Trust-Government	money market
Renaissance Assets Trust-MM	money market
First Trust Funds 110 North Franklin Street Chicago, IL 60606 312-781-9490 (local) 800-621-4770 (out of state) Exchange privilege: Yes	
First Trust Fund-US Government	bond & preferred
Flagship Financial One First National Plaza Suite 910 Dayton, OH 45402 800-354-7447 (local) 800-227-4648 (out of state) Exchange privilege: Yes	
Flagship Tax Exempt Funds Trust-Georgia	municipal bond
Flagship Tax Exempt Funds Trust-Michigan	municipal bond
Flagship Tax Exempt Funds Trust-NC	municipal bond
Flagship Tax Exempt Funds Trust-Ohio	municipal bond
Flagship Tax Exempt Funds Trust-Virginia	municipal bond
Flex Funds PO Box 7177 Dublin, OH 43017 614-766-7000* (local) 800-325-3539 (out of state) Exchange privilege: Yes	
Flex-funds-Bond Fund	bond & preferred
Flex-funds-Capital Gains Fund	stock
Flex-funds-Retirement Growth	stock
Florida Mutual Funds Group 7301 West Palmetto Park Road Suite C-105 Boca Raton, FL 33433 305-392-2667* (local) Exchange privilege: No	
Pinnacle Government Fund-Portfolio I	money market

Fund distributor	Type of fund
44 Securities 1 State Street Plaza 29th Floor New York, NY 10004 212-344-4224 (local) 800-221-7836 (out of state) Exchange privilege: Yes	
44 Wall Street Equity Fund	stock
44 Wall Street Fund	stock
Founders Mutual Depositor Corp PO Box 5632 Denver, CO 80217 800-874-6301 (local) 800-525-2440 (out of state) Exchange privilege: Yes	
Founders Growth Fund	stock
Founders Income Fund	stock
Founders Mutual Fund	stock
Founders Special Fund	stock
Franklin Distributors 777 Mariner's Island Boulevard San Mateo, CA 94404-1585 800-227-6781 (local) 800-632-2180 (out of state) Exchange privilege: Yes	
Franklin AGE High Income Fund	bond & preferred
Franklin Calif Insured Tax-Free Income	municipal bond
Franklin Calif Tax-Exempt Money Fund	money market
Franklin California Tax-Free Income	municipal bond
Franklin Custodian-Dynatech	stock
Franklin Custodian-Growth	stock
Franklin Custodian-Income	balanced
Franklin Custodian-US Govt	bond & preferred
Franklin Custodian-Utilities	stock
Franklin Equity Fund	stock
Franklin Federal Money Fund	money market
Franklin Federal Tax-Free Income	municipal bond
Franklin Gold Fund	stock
Franklin Insured Tax-Free Income Fund	municipal bond
Franklin Mass Insured Tax-Free Income	municipal bond
Franklin Michigan Insured Tax-Free Income	municipal bond
Franklin Minn Insured Tax-Free Income	municipal bond
Franklin Money Fund	money market
Franklin New York Tax-Free Income Fund	municipal bond
Franklin Ohio Insured Tax-Free Income	municipal bond
Franklin Option Fund	stock
Franklin Tax-Exempt Money Fund	money market
Gateway Option Income Fund PO Box 458167 Cincinnati, OH 45245 513-248-2700* (local) 800-354-6339 (out of state) Exchange privilege: No	
Gateway Option Income Fund	stock
Gintel & Co Greenwich Office Park OP-6 Greenwich, CT 06830 203-622-6400 (local) 800-243-5808 (out of state) Exchange privilege: No	
Gintel Capital Appreciation Fund	stock
Gintel ERISA Fund	stock
Gintel Fund	stock

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1986 Fund Ratings

Fund distributor	Type of fund
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 800-572-2050 (local) 800-336-3063 (out of state) Exchange privilege: Yes	
GIT Equity Trust-Special Growth	stock
GIT Income Trust-A-Rated Income	bond & preferred
GIT Income Trust-Maximum Income	bond & preferred
GIT Tax-Free Trust-High Yield	municipal bond
Government Investors Trust	money market
Gradison Mutual Funds 580 Walnut Street Cincinnati, OH 45202 800-582-1892 (local) 800-543-8640 (out of state) Exchange privilege: Yes	
Gradison Cash Reserves Trust	money market
Gradison Emerging Growth Fund	stock
Gradison Established Growth Fund	stock
Greenspring Fund Quadrangle Village of Cross Keys Suite 322 Baltimore, MD 21210 301-435-9000 (local) Exchange privilege: No	
Greenspring Fund	stock
Growth Industry Shares 135 South LaSalle Street Chicago, IL 60603 800-635-2840 (local) 800-635-2886 (out of state) Exchange privilege: No	
Growth Industry Shares	stock
GT Global Growth Funds 601 Montgomery Street Suite 1400 San Francisco, CA 94111 415-392-6181 (local) 800-824-1580 (all states) Exchange privilege: Yes	
GT Global Growth Funds-Europe	stock
GT Global Growth Funds-Pacific	foreign
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 800-522-7800 (local) 800-221-3253 (out of state) Exchange privilege: Yes	
Guardian Park Ave Fund	stock
John Hancock Distributors PO Box 21 Boston, MA 02117 617-572-4120 (local) 800-225-5291 (out of state) Exchange privilege: Yes	
John Hancock Bond Trust	bond & preferred
John Hancock Cash Management Trust	money market
John Hancock Global Trust	stock
John Hancock Growth Trust	stock
John Hancock Special Equities Trust	stock
John Hancock Tax-Exempt Income Trust	municipal bond
John Hancock US Govt Guaranteed Mortgages	bond & preferred
John Hancock US Govt Securities Trust	bond & preferred

Fund distributor	Type of fund
Hartwell Funds 515 Madison Avenue 31st Floor New York, NY 10022 212-308-3355 (local) 800-645-6405 (out of state) Exchange privilege: No	
Hartwell Growth Fund	stock
Hartwell Leverage Fund	stock
Heine Management Group PO Box 830 Westport, CT 06881 800-522-2564 (local) 800-422-2564 (out of state) Exchange privilege: No	
LMH Fund	stock
Heine Securities 26 Broadway New York, NY 10004 212-908-4047* (local) 800-457-0211 (out of state) Exchange privilege: No	
Mutual Beacon Fund	stock
Mutual Qualified Income Fund	stock
Mutual Shares Corp	stock
JJB Hilliard, WL Lyons 545 South Third Street Louisville, KY 40202 800-292-1886 (local) 800-626-2023 (out of state) Exchange privilege: No	
Hilliard-Lyons Government Fund	money market
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 800-972-5566 (local) 800-621-4477 (out of state) Exchange privilege: No	
Wayne Hummer Growth Fund	stock
Wayne Hummer Money Fund Trust	money market
EF Hutton & Co 1 Battery Park Plaza New York, NY 10004 Contact your local EF Hutton representative Exchange privilege: Yes	
Cash Reserve Management	money market
Hutton AMA Cash Fund	money market
Hutton California Municipal Fund	municipal bond
Hutton Government Fund	money market
Hutton Investment-Basic Value	stock
Hutton Investment-Bond & Income	bond & preferred
Hutton Investment-Government Secs	bond & preferred
Hutton Investment-Growth	stock
Hutton Investment-Option Income	stock
Hutton Investment-Precious Metals	stock
Hutton Investment-Short Term Investment	money market
Hutton Investment-Special Equities	stock
Hutton National Municipal Fund	municipal bond
Hutton New York Municipal Fund	municipal bond
Municipal Cash Reserve Management	money market

*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Idex Management PO Box 5068 Clearwater, FL 33518 813-446-3333 (local) 800-237-3055 (out of state) Exchange privilege: Yes	
Idex Fund	stock
Idex Fund II	balanced
IDS Financial Services IDS Tower Minneapolis, MN 55474 612-372-3733 (local) 800-328-8300 (out of state) Exchange privilege: Yes	
IDS Bond Fund	bond & preferred
IDS Cash Management Fund	money market
IDS Discovery Fund	stock
IDS Equity Plus	stock
IDS Extra Income Fund	bond & preferred
IDS Federal Income Fund	bond & preferred
IDS Growth Fund	stock
IDS High Yield Tax-Exempt Fund	municipal bond
IDS International Fund	foreign
IDS Managed Retirement Fund	stock
IDS Mutual	balanced
IDS New Dimensions Fund	stock
IDS Precious Metals Fund	stock
IDS Progressive Fund	stock
IDS Selective Fund	bond & preferred
IDS Stock Fund	stock
IDS Strategy Fund-Aggressive Equity	stock
IDS Strategy Fund-Equity	stock
IDS Strategy Fund-Income	bond & preferred
IDS Tax-Exempt Bond Fund	municipal bond
IDS Tax-Free Money Fund	money market
Integrated Asset Management 666 Third Avenue 5th Floor New York, NY 10017 212-551-5313 (local) 800-221-2644 (out of state) Exchange privilege: Yes	
Home Investors Govt Guaranteed Income	bond & preferred
Integrated Capital Appreciation Fund	stock
Integrated Insured Tax Free Fund	municipal bond
Integrated Money Market Securities	money market
Interstate Capital Growth Fund PO Box 10230 Greenville, SC 29603 803-235-1307* (local) Exchange privilege: No	
Interstate Capital Growth Fund	stock
Investors Security Trust 110 Bank Street Suffolk, VA 23434 804-539-2396 (local) Exchange privilege: No	
Old Dominion Investors' Trust	stock
IRI Securities One Appletree Square Minneapolis, MN 55420 612-853-9500 (local) 800-328-1010 (out of state) Exchange privilege: No	
IRI Stock Fund	stock

Fund distributor	Type of fund
ISI Corp PO Box 23330 Oakland, CA 94623 415-832-1400 (local) Exchange privilege: Yes	
ISI Growth Fund	stock
ISI Income Fund	bond & preferred
ISI Trust Fund	stock
ITB Distributors 60 State Street Boston, MA 02109 617-542-0213* (local) 800-451-0502 (out of state) Exchange privilege: Yes	
Empire Builder Tax Free Bond Fund	municipal bond
Investment Trust of Boston	stock
Investment Trust of Boston-High Income Plus	bond & preferred
Investment Trust of Boston-Mass T-F Income	municipal bond
Ivy Fund 40 Industrial Park Road Hingham, MA 02043 617-749-1416 (local) 800-235-3322 (out of state) Exchange privilege: No	
Ivy Growth Fund	stock
Janus Fund 100 Fillmore Street Suite 300 Denver, CO 80206 303-333-3863* (local) 800-525-3713 (out of state) Exchange privilege: Yes	
Janus Fund	stock
Janus Value Fund	stock
Janus Venture Fund	stock
Jefferson-Pilot Investor Services PO Box 21008 Greensboro, NC 27420 919-378-2451 (local) Exchange privilege: Yes	
JP Growth Fund	stock
JP Income Fund	bond & preferred
Johnson, Lane, Space, Smith & Co 200 Park Avenue Suite 4515 New York, NY 10017 212-697-6666 (local) 800-228-4227 (out of state) Exchange privilege: No	
Prime Cash Fund	money market
Jones & Babson 2440 Pershing Road Kansas City, MO 64108 816-471-5200* (local) 800-821-5591 (out of state) Exchange privilege: Yes	
Babson Bond Trust	bond & preferred
Babson Enterprise Fund	stock
Babson Growth Fund	stock
Babson Money Market Fund-Prime	money market
Babson Tax-Free Income Fund-Long Term	municipal bond
Babson Tax-Free Income Fund-Short Term	municipal bond
Babson Value Fund	stock
UMB Bond Fund	bond & preferred
UMB Money Market-Federal	money market
UMB Money Market-Prime	money market
UMB Stock Fund	stock
UMB Tax-Free MM Fund	money market

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1986 Fund Ratings

Fund distributor	Type of fund
Edward D Jones & Co 201 Progress Parkway Maryland Heights, MO 63043 314-851-2000* (local) Exchange privilege: No	
ED Jones Daily Passport Cash Trust	money market
Kemper Financial Services 120 South LaSalle Street Chicago, IL 60603 312-781-1121 (local) 800-621-1048 (out of state) Exchange privilege: Yes	
Cash Equivalent Fund-Govt	money market
Cash Equivalent Fund-MM	money market
Investment Port-Equity	stock
Investment Port-Govt Plus	bond & preferred
Investment Port-High Yield	bond & preferred
Investment Port-Option Income	stock
Kemper Calif Tax-Free Income Fund	municipal bond
Kemper Government MM Fund	money market
Kemper Growth Fund	stock
Kemper High Yield Fund	bond & preferred
Kemper Income & Capital Preservation Fund	bond & preferred
Kemper International Fund	foreign
Kemper Money Market Fund	money market
Kemper Muni Bond Fund	municipal bond
Kemper Option Income Fund	stock
Kemper Summit Fund	stock
Kemper Tax-Free Income-National	municipal bond
Kemper Total Return Fund	balanced
Kemper US Govt Securities Fund	bond & preferred
Tax-Exempt MM Fund	money market
Technology Fund	stock
Keystone Massachusetts Distributors 99 High Street Boston, MA 02110 617-338-3400 (local) 800-633-4900 (out of state) Exchange privilege: Yes	
Keystone Custodian B-1	bond & preferred
Keystone Custodian B-2	bond & preferred
Keystone Custodian B-4	bond & preferred
Keystone Custodian K-1	balanced
Keystone Custodian K-2	stock
Keystone Custodian S-1	stock
Keystone Custodian S-3	stock
Keystone Custodian S-4	stock
Keystone International Fund	foreign
Keystone Liquid Trust	money market
Keystone Precious Metals Holdings	stock
Keystone Tax Exempt Trust	municipal bond
Keystone Tax Free Fund	municipal bond
Kidder Peabody 20 Exchange Place New York, NY 10005 212-510-5028* (local) Exchange privilege: Yes	
Kidder Peabody Equity Income	stock
Kidder Peabody Government Income Fund	bond & preferred
Kidder Peabody Government Money Fund	money market
Kidder Peabody Premium Account	money market
Kidder Peabody Special Growth Fund	stock
Kidder Peabody Tax Exempt MM	money market
Kidder Peabody Tax-Free Income-National	municipal bond
Kidder Peabody Tax-Free Income-New York	municipal bond
Webster Cash Reserve Fund	money market

Fund distributor	Type of fund
Ladenburg, Thalmann & Co 540 Madison Avenue New York, NY 10022 212-940-0253 (local) 800-523-8425 (out of state) Exchange privilege: No	
Westergaard Fund	stock
Lazard Frères & Co One Rockefeller Plaza New York, NY 10020 212-957-5343 (local) 800-854-8525 (out of state) Exchange privilege: No	
Lazard Cash Management Fund	money market
Lazard Government Fund	money market
Lazard Tax-Free Reserves-Money Market	money market
Legg Mason Wood Walker PO Box 1476 Baltimore, MD 21203 800-492-7777 (local) 800-368-2558 (out of state) Exchange privilege: Yes	
Legg Mason Cash Reserve Trust	money market
Legg Mason Special Investment Trust	stock
Legg Mason Tax Exempt Trust	money market
Legg Mason Total Return Trust	stock
Legg Mason Value Trust	stock
Lehman Brothers Distributor 55 Water Street New York, NY 10041 212-668-8578* (local) 800-221-5350 (out of state) Exchange privilege: Yes	
Lehman Capital Fund	stock
Lehman Investors Fund	stock
Lehman Management Cash Reserves Fund	money market
Lehman Management Tax-Free Reserves Fund	money market
Lehman Opportunity Fund	stock
Lepercq-Istel Trust 345 Park Avenue 23rd Floor New York, NY 10154 212-702-0174* (local) Exchange privilege: No	
Lepercq-Istel Fund	stock
Robert H Leshner 700 Dixie Terminal Building Cincinnati, OH 45202 513-629-2000 (local) 800-543-8721 (out of state) Exchange privilege: Yes	
ABT Growth & Income Trust	stock
ABT Investment Series-Emerging Growth	stock
ABT Investment Series-Security Income	stock
ABT Utility Income Fund	stock
Midwest Group-LG Fund for Growth	stock
Midwest Group-LG US Government Secs Fund	bond & preferred
Midwest Group Tax Free-Limited Term	municipal bond
Midwest Group Tax Free-MM	money market
Midwest Group Tax Free-Ohio Long Term	municipal bond
Midwest Income Trust-Intermediate Term Govt	bond & preferred
Midwest Income Trust-Short Term Govt	money market

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*Will accept collect calls.

Fund distributor	Type of fund
Lexington Management Corp PO Box 1515 Saddle Brook, NJ 07662 201-845-7300 (local) 800-526-0057 (out of state) Exchange privilege: Yes	
Corporate Leaders Trust Certificates Ser B	stock
Lexington GNMA Income Fund	bond & preferred
Lexington Goldfund	stock
Lexington Growth Fund	stock
Lexington MM Trust	money market
Lexington Research Fund	stock
Lexington Tax Free Money Fund	money market
Lieber & Company 550 Mamaroneck Avenue Harrison, NY 10528 914-698-5711 (local) 800-635-0003 (out of state) Exchange privilege: Yes	
Evergreen Fund	stock
Evergreen Total Return Fund	stock
Lindner Management Corp 200 South Bemiston PO Box 11208 St Louis, MO 63105 314-727-5305 (local) Exchange privilege: No	
Lindner Dividend Fund	stock
Lindner Fund	stock
Lord Abbett & Co 63 Wall Street New York, NY 10005 212-425-8720* (local) 800-223-4224 (out of state) Exchange privilege: Yes	
Affiliated Fund	stock
Lord Abbett Bond-Debenture Fund	bond & preferred
Lord Abbett California Tax-Free Income	municipal bond
Lord Abbett Cash Reserve Fund	money market
Lord Abbett Developing Growth Fund	stock
Lord Abbett Tax-Free-National	municipal bond
Lord Abbett Tax-Free-NY	municipal bond
Lord Abbett US Govt Securities Fund	bond & preferred
Lord Abbett Value Appreciation	stock
Mackenzie Investment Management 1665 Palm Beach Lakes Boulevard Suite 604 West Palm Beach, FL 33401 800-824-6067 (local) 800-222-2274 (out of state) Exchange privilege: Yes	
Industrial Series-Govt Secs Plus	bond & preferred
Industrial Series-Option Income	balanced
Madison Investment Advisors 402 South Gammon Place Madison, WI 53719 608-833-6300 (local) Exchange privilege: No	
Bascom Hill Investors	stock

Fund distributor	Type of fund
Mairs & Power W-2062 First National Bank Bldg St Paul, MN 55101 612-222-8478 (local) Exchange privilege: No	
Mairs & Power Growth Fund	stock
Mairs & Power Income Fund	stock
Horace Mann Growth Fund 1 Horace Mann Plaza Springfield, IL 62715 217-789-2500 (local) Exchange privilege: No	
Horace Mann Growth Fund	stock
Massachusetts Financial Services 200 Berkeley Street Boston, MA 02116 617-423-3500 (local) 800-343-2923 (out of state) Exchange privilege: Yes	
Mass Capital Development Fund	stock
Mass Cash Management-Govt	money market
Mass Cash Management-Prime	money market
Mass Financial Bond Fund	bond & preferred
Mass Financial Development Fund	stock
Mass Financial Emerging Growth Trust	stock
Mass Financial High Income Trust	bond & preferred
Mass Financial International-Bond	bond & preferred
Mass Financial Special Fund	stock
Mass Financial Total Return Trust	balanced
Mass Investors Growth Stock Fund	stock
Mass Investors Trust	stock
MFS Government Guaranteed Secs	bond & preferred
MFS Government Secs High Yield Trust	bond & preferred
MFS Managed California Tax-Exempt Trust	municipal bond
MFS Managed High Yield Muni Bond	municipal bond
MFS Managed M-S Tax-Exempt-Maryland	municipal bond
MFS Managed M-S Tax-Exempt-Mass	municipal bond
MFS Managed M-S Tax-Exempt-N Carolina	municipal bond
MFS Managed M-S Tax-Exempt-S Carolina	municipal bond
MFS Managed M-S Tax-Exempt-Virginia	municipal bond
MFS Managed M-S Tax-Exempt-W Virginia	municipal bond
MFS Managed Muni Bond Trust	municipal bond
MFS Managed Sectors Trust	stock
Mathers Fund 125 South Wacker Drive Chicago, IL 60606 312-236-8215 (local) Exchange privilege: No	
Mathers Fund	stock
McDonald & Company Securities 2100 Society Building Cleveland, OH 44114 216-443-2300 (local) 800-451-6200 (out of state) Exchange privilege: Yes	
McDonald Money Market Fund	money market
McDonald Tax Exempt Money Market Fund	money market

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1986 Fund Ratings

Fund distributor	Type of fund
Meeschaert & Company 11 Parker Street Newton Centre, MA 02159 617-244-0432 (local) Exchange privilege: No	
Meeschaert Capital Accumulation Trust	stock
Meridian Fund 60 East Sir Francis Drake Blvd Suite 306 Larkspur, CA 94939 800-445-5553 (local) 800-446-6662 (out of state) Exchange privilege: No	
Meridian Fund	stock
Merrill Lynch Funds Boston 125 High Street 4th Floor Boston, MA 02110 617-357-1460* (local) 800-225-1576 (out of state) Exchange privilege: Yes	
Merrill Lynch Government Fund	money market
Merrill Lynch Institutional Fund	money market
Merrill Lynch Funds Distributor PO Box 9011 Princeton, NJ 08543-9011 609-282-2800 (local) Exchange privilege: Yes	
CBA Money Fund	money market
Merrill Lynch Basic Value Fund	stock
Merrill Lynch California Tax-Exempt Fund	municipal bond
Merrill Lynch Capital Fund	stock
Merrill Lynch Corp Bond-High Income	bond & preferred
Merrill Lynch Corp Bond-High Quality	bond & preferred
Merrill Lynch Corp Bond-Intermediate	bond & preferred
Merrill Lynch Equi-Bond I Fund	balanced
Merrill Lynch Federal Securities Trust	bond & preferred
Merrill Lynch Fund for Tomorrow	stock
Merrill Lynch International Holdings	stock
Merrill Lynch Muni Bond Fund-High Yield	municipal bond
Merrill Lynch Muni Bond Fund-Insured	municipal bond
Merrill Lynch Muni Bond Fund-Ltd Maturity	municipal bond
Merrill Lynch Natural Resources Trust	stock
Merrill Lynch New York Municipal Bond	municipal bond
Merrill Lynch Pacific Fund	foreign
Merrill Lynch Phoenix Fund	balanced
Merrill Lynch Ready Assets Trust	money market
Merrill Lynch Retirement Benefit Investment	stock
Merrill Lynch Retirement/Income Fund	bond & preferred
Merrill Lynch Retirement Reserves Money Fund	money market
Merrill Lynch Special Value	stock
Merrill Lynch USA Govt Reserves	money market
Sci/Tech Holdings	stock
Summit Cash Reserves Fund	money market
Merrill Lynch, Pierce, Fenner & Smith One Liberty Plaza 165 Broadway New York, NY 10080 609-282-2800 (local) Exchange privilege: Yes	
CMA Government Securities Fund	money market
CMA Money Fund	money market
CMA Tax-Exempt Fund	money market
ML Convertible Securities-Capital	dual purpose
ML Convertible Securities-Income	dual purpose

Fund distributor	Type of fund
MidAmerica Management 4333 Edgewood Road NE Cedar Rapids, IA 52499 319-398-8511 (local) 800-553-4287 (out of state) Exchange privilege: Yes	
MidAmerica High Growth Fund	stock
MidAmerica Mutual Fund	stock
Milwaukee Co 250 East Wisconsin Avenue Milwaukee, WI 53202 800-242-1001 (local) 800-558-1015 (out of state) Exchange privilege: No	
Heartland Value Fund	stock
Trust for Cash Reserves	money market
Mimlic Asset Management 400 North Robert Street St Paul, MN 55101 612-298-3826 (local) 800-328-8045 (out of state) Exchange privilege: Yes	
Mimlic Investors Fund I	stock
Mimlic Mortgage Securities Income Fund	bond & preferred
Morgan Keegan & Co 50 Front Street Memphis, TN 38103 901-524-4100 (local) 800-238-7127 (out of state) Exchange privilege: No	
Morgan Keegan Daily Cash Trust	money market
Moseley, Hallgarten, Estabrook & Weeden 200 Park Avenue Suite 4515 New York, NY 10017 212-697-6666 (local) 800-228-4227 (out of state) Exchange privilege: No	
Short Term Asset Reserves	money market
Murphey Favre Seafirst Financial Center 9th Floor Spokane, WA 99201 509-624-4101 (local) 800-541-0830 (out of state) Exchange privilege: Yes	
Composite Bond & Stock Fund	balanced
Composite Cash Management	money market
Composite Growth Fund	stock
Composite Income Fund	bond & preferred
Composite Tax-Exempt Bond Fund	municipal bond
Composite US Government Securities	bond & preferred
Mutual Benefit Financial Services Co 290 Westminster Street Providence, RI 02903 401-751-8600* (local) 800-343-3382 (out of state) Exchange privilege: No	
Mutual Benefit Fund	stock

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*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 800-642-8112 (local) 800-228-9596 (out of state) Exchange privilege: Yes	
Mutual of Omaha America Fund	bond & preferred
Mutual of Omaha Cash Reserve Fund	money market
Mutual of Omaha Growth Fund	stock
Mutual of Omaha Income Fund	balanced
Mutual of Omaha Money Market Account	money market
Mutual of Omaha Tax-Free Income Fund	municipal bond
National Industries Fund 2130 South Dahlia Street Denver, CO 80[illegible] 303-759-2400 (local) Exchange privilege: No	
National Industries Fund	stock
National Securities & Research Corp 605 Third Avenue New York, NY 10158 212-661-3000* (local) 800-223-7757 (out of state) Exchange privilege: Yes	
California Tax Exempt Bonds	municipal bond
Fairfield Fund	stock
National Bond Fund	bond & preferred
National Federal Securities Trust	bond & preferred
National Growth Fund	stock
National Preferred Fund	bond & preferred
National Real Estate Stock Fund	stock
National Securities Tax Exempt Bonds	municipal bond
National Stock Fund	stock
National Total Income Fund	balanced
National Total Return Fund	balanced
Nationwide Financial Services 1 Nationwide Plaza Columbus, OH 43216 800-282-1440 (local) 800-848-0920 (out of state) Exchange privilege: Yes	
Nationwide Bond Fund	bond & preferred
Nationwide Fund	stock
Nationwide Growth Fund	stock
Nationwide Money Market Fund	money market
Nationwide Tax-Free Fund	municipal bond
NEL Equity Services 399 Boylston Street Boston, MA 02117 617-578-1187 (local) 800-343-7104 (out of state) Exchange privilege: Yes	
Loomis-Sayles Capital Development Fund	stock
Loomis-Sayles Mutual Fund	balanced
NEL Cash Management Trust-MM	money market
NEL Equity Fund	stock
NEL Growth Fund	stock
NEL Income Fund	bond & preferred
NEL Retirement Equity Fund	stock
NEL Tax Exempt Bond Fund	municipal bond
New England Life Government Secs Trust	bond & preferred
Neuberger & Berman Management 342 Madison Avenue New York, NY 10173 212-850-8300* (local) 800-367-0770 (out of state) Exchange privilege: Yes	
Energy Fund	stock
Guardian Mutual Fund	stock
Liberty Fund	bond & preferred
Manhattan Fund	stock
Neuberger & Berman Government Money	money market
Neuberger & Berman Tax-Free Money	money market
Partners Fund	stock
New York Muni Fund One World Trade Center Suite 8407 New York, NY 10048 212-422-7490 (local) 800-277-1549 (out of state) Exchange privilege: No	
New York Muni Fund	municipal bond
Newton Fund PO Box 1348 Milwaukee, WI 53201 800-242-7229 (local) 800-247-7039 (out of state) Exchange privilege: Yes	
Newton Growth Fund	stock
Newton Income Fund	bond & preferred
Nicholas Company 700 North Water Street Milwaukee, WI 53202 414-272-6133 (local) Exchange privilege: Yes	
Nicholas Fund	stock
Nicholas II	stock
Nicholas Income Fund	bond & preferred
Noddings Calamos Asset Management 2001 Spring Road Oakbrook, IL 60521 800-821-6458 (local) 800-251-2411 (out of state) Exchange privilege: Yes	
Noddings Calamos Convertible Funds-Growth	stock
Noddings Calamos Convertible Funds-Income	stock
Nomura Capital Management 180 Maiden Lane New York, NY 10038 212-208-9300 (local) 800-833-1896 (out of state) Exchange privilege: No	
Nomura Pacific Basin Fund	foreign
North Star Funds PO Box 357 Minneapolis, MN 55440 612-371-7780 (local) Exchange privilege: Yes	
North Star Apollo	stock
North Star Bond Fund	bond & preferred
North Star Regional Fund	stock
North Star Reserve Fund	bond & preferred
North Star Stock Fund	stock

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1986 Fund Ratings

Fund distributor	Type of fund
Northeast Investors Trust 50 Congress Street Boston, MA 02109 617-523-3588 (local) 800-225-6704 (out of state) Exchange privilege: Yes	
Northeast Investors Growth Fund	stock
Northeast Investors Trust	bond & preferred
Nova Advisers Two Oliver Street Boston, MA 02109-4901 617-439-6126* (local) 800-572-0006 (out of state) Exchange privilege: No	
Nova Fund	stock
Nuveen Advisory Corp 333 West Wacker Drive Chicago, IL 60606 312-917-7844* (local) 800-621-7210 (out of state) Exchange privilege: No	
Nuveen California Tax-Free-Money Market	money market
Nuveen Muni Bond Fund	municipal bond
Nuveen Tax-Exempt Money Market Fund	money market
Nuveen Tax-Free Reserves	money market
Tax-Free Accounts	money market
Ohio Company 155 East Broad Street Columbus, OH 43215 800-282-9446 (local) 800-848-7734 (out of state) Exchange privilege: Yes	
Cardinal Fund	stock
Cardinal Government Guaranteed Fund	bond & preferred
Cardinal Government Securities Trust	money market
Cardinal Tax Exempt Money Trust	money market
Omega Fund 77 Franklin Street Boston, MA 02110 617-357-8480 (local) Exchange privilege: No	
Omega Fund	stock
Oppenheimer Capital Corp Oppenheimer Tower World Financial Center New York, NY 10281 212-667-7587 (local) 800-867-7778 (out of state) Exchange privilege: No	
Quest for Value Fund	stock

Fund distributor	Type of fund
Oppenheimer Investor Services PO Box 300 Denver, CO 80201 303-671-3200 (local) 800-525-7048 (out of state) Exchange privilege: Yes	
Hamilton Funds	stock
Oppenheimer AIM Fund	stock
Oppenheimer Challenger Fund	stock
Oppenheimer Directors Fund	stock
Oppenheimer Equity Income Fund	stock
Oppenheimer Fund	stock
Oppenheimer Gold & Special Minerals	stock
Oppenheimer High Yield Fund	bond & preferred
Oppenheimer Money Market Fund	money market
Oppenheimer NY Tax-Exempt	municipal bond
Oppenheimer Premium Income Fund	stock
Oppenheimer Regency Fund	stock
Oppenheimer Retirement-Blue Chip Stock	stock
Oppenheimer Retirement-US Government Secs	bond & preferred
Oppenheimer Special Fund	stock
Oppenheimer Target Fund	stock
Oppenheimer Tax-Free Bond Fund	municipal bond
Oppenheimer Time Fund	stock
Pacific Financial Research 9665 Wilshire Boulevard Suite 950 Beverly Hills, CA 90212 213-278-4461 (local) Exchange privilege: No	
Clipper Fund	balanced
PaineWebber 1285 Avenue of the Americas 15th Floor New York, NY 10019 212-713-4818 (local) Exchange privilege: Yes	
PaineWebber America Fund	stock
PaineWebber Atlas Fund	stock
PaineWebber Calif Tax-Exempt Income Fund	municipal bond
PaineWebber Cashfund	money market
PaineWebber Fixed Income-GNMA	bond & preferred
PaineWebber Fixed Income-High Yield	bond & preferred
PaineWebber Fixed Income-Invest Grade	bond & preferred
PaineWebber Master Series-Income Fund	bond & preferred
PaineWebber Olympus Fund	stock
PaineWebber RMA-Money Market	money market
PaineWebber RMA-Tax-Free	money market
PaineWebber RMA-US Govt	money market
PaineWebber Tax-Exempt Income	municipal bond
Pallas Financial Corporation One Burton Hills Boulevard Suite 355 Nashville, TN 37215 615-665-1700 (local) 800-251-1970 (out of state) Exchange privilege: No	
Monitrend Mutual Fund	stock
Parkway Management 2625 Concord Pike PO Box 7138 Wilmington, DE 19803 302-478-8531* (local) 800-441-7786 (out of state) Exchange privilege: Yes	
Parkway Cash Fund	money market

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1986 Fund Ratings

Fund distributor	Type of fund
Pax World Fund 224 State Street Portsmouth, NH 03801 603-431-8022 (local) Exchange privilege: No	
Pax World Fund	balanced
Penn Square Management PO Box 1419 Reading, PA 19603 215-670-1031* (local) 800-523-8440 (out of state) Exchange privilege: No	
Penn Square Mutual Fund	stock
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 212-355-7311 (local) 800-221-4268 (out of state) Exchange privilege: Yes	
Pennsylvania Mutual Fund	stock
Permanent Portfolio Fund PO Box 5847 Austin, TX 78763 512-453-7558 (local) 800-531-5142 (out of state) Exchange privilege: No	
Permanent Portfolio Fund	stock
PFS Management Services 5400 University Avenue West Des Moines, IA 50265 800-422-3175 (local) 800-247-4170 (out of state) Exchange privilege: Yes	
Farm Bureau Growth Fund	stock
Phoenix Equity Planning Corp One American Row Hartford, CT 06115 203-278-8050* (local) 800-243-4361 (out of state) Exchange privilege: Yes	
P-C Capital Fund	stock
Phoenix Balanced Fund	balanced
Phoenix Convertible Fund	stock
Phoenix Growth Fund	stock
Phoenix High Quality Bond Fund	bond & preferred
Phoenix High Yield Fund	bond & preferred
Phoenix Stock Fund	stock
Pilgrim Distributors One Executive Drive Fort Lee, NJ 07024 201-461-7500 (local) 800-526-0475 (out of state) Exchange privilege: Yes	
Pilgrim GNMA Fund	bond & preferred
Pilgrim High Yield Trust	bond & preferred
Pilgrim MagnaCap Fund	stock
Pilgrim Preferred Fund	bond & preferred

Fund distributor	Type of fund
Pioneer Group 60 State Street Boston, MA 02109 617-742-7825* (local) 800-225-6292 (out of state) Exchange privilege: Yes	
Pioneer Bond Fund	bond & preferred
Pioneer Fund	stock
Pioneer II	stock
Pioneer Three	stock
Prescott, Ball & Turben 230 West Monroe Street Chicago, IL 60606 800-572-4437 (local) 800-621-7321 (out of state) Exchange privilege: Yes	
Selected American Shares	stock
Selected Special Shares	stock
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 301-547-2308* (local) 800-638-5660 (out of state) Exchange privilege: Yes	
T Rowe Price Equity Income Fund	stock
T Rowe Price GNMA Fund	bond & preferred
T Rowe Price Growth & Income Fund	stock
T Rowe Price Growth Stock Fund	stock
T Rowe Price High Yield Fund	bond & preferred
T Rowe Price International Fund	foreign
T Rowe Price New America Growth Fund	stock
T Rowe Price New Era Fund	stock
T Rowe Price New Horizons Fund	stock
T Rowe Price New Income Fund	bond & preferred
T Rowe Price Prime Reserve Fund	money market
T Rowe Price Short-Term Bond Fund	bond & preferred
T Rowe Price Tax-Exempt Money Fund	money market
T Rowe Price Tax-Free High Yield Fund	municipal bond
T Rowe Price Tax-Free Income Fund	municipal bond
T Rowe Price Tax-Free Short Intermediate	municipal bond
T Rowe Price US Treasury Money Fund	money market
Princor Financial Services Corp 711 High Street Des Moines, IA 50309 515-247-5711 (local) Exchange privilege: Yes	
BLC Capital Accumulation Fund	stock
BLC Government Securities Income Fund	bond & preferred
BLC Growth Fund	stock
BLC Tax-Exempt Bond Fund	municipal bond

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*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Prudential-Bache 1 Seaport Plaza New York, NY 10292 212-214-1234 (local) 800-872-7787 (out of state) Exchange privilege: Yes	
Command Government Fund	money market
Command Money Fund	money market
Command Tax-Free Fund	money market
Prudential-Bache California Municipal	municipal bond
Prudential-Bache Equity Fund	stock
Prudential-Bache Global Fund	foreign
Prudential-Bache GNMA Fund	bond & preferred
Prudential-Bache Government Plus Fund	bond & preferred
Prudential-Bache Govt Secs-Intermediate Term	bond & preferred
Prudential-Bache Govt Secs-MM	money market
Prudential-Bache Growth Opportunity	stock
Prudential-Bache High Yield Fund	bond & preferred
Prudential-Bache High Yield Municipals	municipal bond
Prudential-Bache IncomeVertible	stock
Prudential-Bache MoneyMart Assets	money market
Prudential-Bache Muni-Arizona	municipal bond
Prudential-Bache Muni-Georgia	municipal bond
Prudential-Bache Muni-Maryland	municipal bond
Prudential-Bache Muni-Massachusetts	municipal bond
Prudential-Bache Muni-Michigan	municipal bond
Prudential-Bache Muni-Minnesota	municipal bond
Prudential-Bache Muni-New York	municipal bond
Prudential-Bache Muni-New York MM	money market
Prudential-Bache Muni-N Carolina	municipal bond
Prudential-Bache Muni-Ohio	municipal bond
Prudential-Bache Muni-Oregon	municipal bond
Prudential-Bache Option Growth Fund	stock
Prudential-Bache Research Fund	stock
Prudential-Bache Tax-Free Money Fund	money market
Prudential-Bache Utility Fund	stock
Putnam Financial Services 1 Post Office Square Boston, MA 02109 617-292-1000* (local) 800-225-1581 (out of state) Exchange privilege: Yes	
Depositors Investment-Aggressive Growth	stock
Depositors Investment-Capital Growth	stock
Depositors Investment-Government Secs	bond & preferred
Putnam California Tax Exempt Income	municipal bond
Putnam Capital Fund	stock
Putnam Convertible Income-Growth	stock
Putnam Daily Dividend Trust	money market
Putnam Energy-Resources Trust	stock
Putnam Fund for Growth & Income	stock
George Putnam Fund of Boston	balanced
Putnam GNMA Plus Trust	bond & preferred
Putnam Health Sciences Trust	stock
Putnam High Income Government Trust	bond & preferred
Putnam High Yield Trust	bond & preferred
Putnam High Yield Trust II	bond & preferred
Putnam Income Fund	bond & preferred
Putnam Information Sciences Trust	stock
Putnam International Equities Fund	foreign
Putnam Investors Fund	stock
Putnam New York Tax Exempt Income Fund	municipal bond
Putnam Option Income Trust	stock
Putnam Option Income Trust II	stock
Putnam Tax Exempt Income Fund	municipal bond
Putnam Tax-Free Income-High Yield	municipal bond
Putnam Tax-Free Income-Insured	municipal bond
Putnam US Govt Guaranteed Securities	bond & preferred
Putnam Vista Basic Value	stock
Putnam Voyager Fund	stock

Fund distributor	Type of fund
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 212-355-7311 (local) 800-221-4268 (out of state) Exchange privilege: Yes	
Royce Fund-High Yield	bond & preferred
Royce Fund-Value	stock
Rea-Graham Fund 10966 Chalon Road Los Angeles, CA 90077 213-471-1917* (local) Exchange privilege: No	
Rea-Graham Fund	balanced
Reich & Tang 100 Park Avenue New York, NY 10017 212-370-1240* (local) Exchange privilege: Yes	
Connecticut Daily Tax Free Income	money market
Daily Dollar Reserves	money market
Daily Income Fund	money market
Daily Tax Free Income Fund	money market
Empire Tax Free Money Market	money market
Gabelli Asset Fund	stock
Reich & Tang Equity Fund	stock
SBSF Fund	stock
Short Term Income Fund-Government	money market
Short Term Income Fund-MM	money market
Sound Shore Fund	stock
Warburg International Fund	foreign
Resrv Partners 810 Seventh Avenue 35th Floor New York, NY 10019 212-977-9880* (local) 800-223-5547 (out of state) Exchange privilege: Yes	
Reserve Equity-Dreman Contrarian	stock
Reserve Fund-Government	money market
Reserve Fund-Primary	money market
Reserve New York Tax-Exempt Trust-NY	money market
Reserve Tax-Exempt-Connecticut	money market
Reserve Tax-Exempt-Interstate	money market
Review Distributing Corp PO Box 1537 Fort Washington, PA 19034-1537 215-887-6312* (local) 800-523-2578 (out of state) Exchange privilege: No	
Over-the-Counter Securities Fund	stock
Rightime Fund The Benson East Office Plaza Suite 1000 Jenkintown, PA 19046 800-222-3317 (local) 800-242-1421 (out of state) Exchange privilege: No	
Rightime Fund	stock
RJ Financial 1400 66th Street North St Petersburg, FL 33710 813-381-3800 (local) Exchange privilege: Yes	
Heritage Capital Appreciation	stock

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1986 Fund Ratings

Fund distributor	Type of fund
Rochester Fund Distributors 379 Park Avenue Rochester, NY 14607 716-442-5500* (local) Exchange privilege: Yes	
Rochester Tax Managed Fund	stock
LF Rothschild, Unterberg, Towbin 55 Water Street New York, NY 10041 212-412-1000 (local) Exchange privilege: No	
LF Rothschild Earnings & Liquidity	money market
LF Rothschild Exempt Fund	money market
Ruane, Cunniff & Co 1370 Avenue of the Americas New York, NY 10019 212-245-4500 (local) Exchange privilege: No	
Sequoia Fund	stock
Rushmore Investment Brokers 4922 Fairmont Avenue Bethesda, MD 20814 301-657-1500* (local) 800-343-3355 (out of state) Exchange privilege: Yes	
Fund for Govt Investors	money market
Fund for Tax-Free Investors-Intermediate	municipal bond
Fund for Tax-Free Investors-Long-Term	municipal bond
Rushmore Fund-Ginnie Mae	bond & preferred
SA Russell & Co 200 Park Avenue Suite 4515 New York, NY 10017 212-697-6666 (local) 800-228-4227 (out of state) Exchange privilege: No	
Trinity Liquid Assets Trust	money market
Morton H Sachs & Co 1346 South Third Street Louisville, KY 40208 502-636-5633 (local) Exchange privilege: Yes	
Fairmont Fund	stock
Safeco Securities Safeco Plaza Seattle, WA 98185 206-545-5530 (local) 800-426-6730 (out of state) Exchange privilege: Yes	
Safeco California Tax-Free Income Fund	municipal bond
Safeco Equity Fund	stock
Safeco Growth Fund	stock
Safeco Income Fund	stock
Safeco Municipal Bond Fund	municipal bond
Scudder Fund Distributors 175 Federal Street Boston, MA 02110 800-225-2470 (local) 800-453-3305 (out of state) Exchange privilege: Yes	
Scudder California Tax-Free Fund	municipal bond
Scudder Capital Growth Fund	stock
Scudder Cash Investment Trust	money market
Scudder Development Fund	stock
Scudder Government Money Fund	money market
Scudder Government Mortgage Securities	bond & preferred
Scudder Growth & Income Fund	stock
Scudder Income Fund	bond & preferred
Scudder International Fund	foreign
Scudder Managed Municipal Bonds	municipal bond
Scudder New York Tax Free Fund	municipal bond
Scudder Target Fund-General 1987	bond & preferred
Scudder Target Fund-General 1990	bond & preferred
Scudder Target Fund-General 1994	bond & preferred
Scudder Target Fund-Government 1990	bond & preferred
Scudder Tax-Free Money Fund	money market
Scudder Tax-Free Target-1987	municipal bond
Scudder Tax-Free Target-1990	municipal bond
Scudder Tax-Free Target-1993	municipal bond
Scudder Tax Free Target-1996	municipal bond
Securities Fund Investors PO Box 3942 St Petersburg, FL 33731 813-823-8712 (local) 800-237-0738 (out of state) Exchange privilege: Yes	
Templeton Foreign Fund	foreign
Templeton Global I	stock
Templeton Global II	stock
Templeton Growth Fund	stock
Templeton World Fund	stock
Securities Management & Research Moody & Market Streets Galveston, TX 77550 800-392-9753 (local) 800-231-4639 (out of state) Exchange privilege: Yes	
American National Bond Fund	bond & preferred
American National Growth Fund	stock
American National Income Fund	stock
Security Distributors 700 Harrison Street Topeka, KS 66636 913-295-3127 (local) 800-255-2461 (out of state) Exchange privilege: Yes	
Security Action Fund	stock
Security Cash Fund	money market
Security Equity Fund	stock
Security Income Fund-Corporate Bonds	bond & preferred
Security Investment Fund	stock
Security Omni Fund	stock
Security Tax-Exempt Fund	municipal bond
Security Ultra Fund	stock

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1986 Fund Ratings

Fund distributor	Type of fund
Seligman Marketing 1 Bankers Trust Plaza New York, NY 10006 800-522-6869 (local) 800-221-2450 (out of state) Exchange privilege: Yes	
Seligman Calif T-E-High Yield	municipal bond
Seligman Calif T-E-Quality	municipal bond
Seligman Capital Fund	stock
Seligman Cash Management-Prime	money market
Seligman Common Stock Fund	stock
Seligman Communications & Information	stock
Seligman Growth Fund	stock
Seligman High Inc-High Yield Bond	bond & preferred
Seligman High Inc-Secured Mortgage	bond & preferred
Seligman High Inc-US Govt Guaranteed	bond & preferred
Seligman Income Fund	balanced
Seligman Tax Exempt-Colorado	municipal bond
Seligman Tax Exempt-Louisiana	municipal bond
Seligman Tax Exempt-Maryland	municipal bond
Seligman Tax-Exempt-Massachusetts	municipal bond
Seligman Tax Exempt-Michigan	municipal bond
Seligman Tax-Exempt-Minnesota	municipal bond
Seligman Tax Exempt-National	municipal bond
Seligman Tax-Exempt-New York	municipal bond
Seligman Tax Exempt-Ohio	municipal bond
Sentry Equity Services 1800 North Point Drive Stevens Point, WI 54481 800-472-0280 (local) 800-826-0266 (out of state) Exchange privilege: Yes	
Sentry Fund	stock
Shearson Lehman Brothers American Express Tower World Financial Center New York, NY 10285 Call your local Shearson Lehman representative Exchange privilege: Yes	
Shearson Aggressive Growth Fund	stock
Shearson Appreciation Fund	stock
Shearson California Daily Tax-Free	money market
Shearson California Municipals	municipal bond
Shearson Daily Dividend	money market
Shearson Daily Tax-Free Dividend	money market
Shearson FMA Cash Fund	money market
Shearson FMA Government Fund	money market
Shearson FMA Municipal Fund	money market
Shearson Fundamental Value Fund	stock
Shearson Global Opportunities	foreign
Shearson Government & Agencies	money market
Shearson High Yield Fund	bond & preferred
Shearson Lehman-Equity Growth	stock
Shearson Lehman-Equity Plus	stock
Shearson Lehman-Intermediate Govt Secs	bond & preferred
Shearson Lehman-International Equity	stock
Shearson Lehman-Long Term Govt Secs	bond & preferred
Shearson Lehman-Option Income	stock
Shearson Lehman-Tax-Exempt Income	municipal bond
Shearson Managed Governments	bond & preferred
Shearson Managed Municipals	municipal bond
Shearson New York Municipals	municipal bond
Shearson NY Daily Tax-Free Fund	money market
Sherman, Dean Fund 6061 NW Expressway San Antonio, TX 78201 512-734-1488 (local) Exchange privilege: No	
Sherman, Dean Fund	stock

Fund distributor	Type of fund
Sierra Growth Fund 1880 Century Park East Suite 717 Los Angeles, CA 90067 213-277-1450 (local) Exchange privilege: No	
Sierra Growth Fund	stock
Sigma Investor Services 3801 Kennett Pike Greenville Center C-200 Wilmington, DE 19802 302-652-3091* (local) 800-441-9490 (out of state) Exchange privilege: Yes	
Sigma Capital Shares	stock
Sigma Income Shares	bond & preferred
Sigma Investment Shares	stock
Sigma Special Fund	stock
Sigma Tax-Free Bond Fund	municipal bond
Sigma Trust Shares	balanced
Sigma Venture Shares	stock
Sigma World Fund	foreign
Sit Investment Associates 1714 First Bank Place West Minneapolis, MN 55402 612-332-3223 (local) Exchange privilege: Yes	
New Beginning Growth Fund	stock
New Beginning Yield Fund	bond & preferred
Smith Barney, Harris Upham & Co 333 West 34th Street New York, NY 10001 212-356-2631 (local) Exchange privilege: Yes	
National Liquid Reserves-Cash	money market
National Liquid Reserves-Government	money market
National Liquid Reserves-Retirement	money market
Smith Barney Equity Fund	stock
Smith Barney Funds-Income Return	bond & preferred
Smith Barney Funds-US Government	bond & preferred
Smith Barney-Income & Growth	stock
Tax Free Money Fund	money market
Vantage Money Market-Cash	money market
Vantage Money Market-Government	money market
Sogen Securities Corp 520 Madison Avenue New York, NY 10022 212-832-0022* (local) Exchange privilege: No	
Sogen International Fund	stock
Sovereign Advisers 985 Old Eagle School Road Suite 515A Wayne, PA 19087 215-254-0703 (local) Exchange privilege: No	
Sovereign Investors	stock
State Bond Sales Corp Investment Department 100-106 North Minnesota Street New Ulm, MN 56073 507-354-2144* (local) 800-328-4735 (out of state) Exchange privilege: Yes	
State Bond Common Stock Fund	stock
State Bond Diversified Fund	stock
State Bond Progress Fund	stock
State Bond Tax Exempt Fund	municipal bond

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1986 Fund Ratings

Fund distributor	Type of fund
State Street Research & Management 1 Financial Center Boston, MA 02111 617-482-3920 (local) Exchange privilege: No	
State Street Investment Corp	stock
Steadman Funds 1730 K Street NW Suite 904 Washington, DC 20006 202-223-1000 (local) 800-424-8570 (out of state) Exchange privilege: Yes	
Steadman American Industry Fund	stock
Steadman Associated Fund	stock
Steadman Investment Fund	stock
Steadman Oceanographic Technology & Growth	stock
Stein Roe & Farnham PO Box 1162 Chicago, IL 60690 312-368-7826* (local) 800-621-0320 (out of state) Exchange privilege: Yes	
Stein Roe & Farnham Capital Opportunity	stock
Stein Roe & Farnham Stock Fund	stock
SteinRoe Cash Reserves	money market
SteinRoe Discovery Fund	stock
SteinRoe Governments Plus	bond & preferred
SteinRoe High-Yield Bonds	bond & preferred
SteinRoe High-Yield Municipals	municipal bond
SteinRoe Intermediate Municipals	municipal bond
SteinRoe Managed Bonds	bond & preferred
SteinRoe Special Fund	stock
SteinRoe Tax-Exempt Bond Fund	municipal bond
SteinRoe Tax-Exempt Money Fund	money market
SteinRoe Total Return Fund	balanced
SteinRoe Universe Fund	stock
Strategic Distributors 2030 Royal Lane Dallas, TX 75229 214-484-1326* (local) 800-527-5027 (out of state) Exchange privilege: Yes	
Strategic Capital Gains	stock
Strategic Investments Fund	stock
Strategic Silver Fund	stock
Stratton Management PO Box 550 Blue Bell, PA 19422 215-542-8025* (local) Exchange privilege: Yes	
Stratton Growth Fund	stock
Stratton Monthly Dividend Shares	stock
Strong/Corneliuson Capital Management 815 East Mason Street Suite 1610 Milwaukee, WI 53202 414-765-0620* (local) 800-368-3863 (out of state) Exchange privilege: Yes	
Strong Income Fund	bond & preferred
Strong Investment Fund	balanced
Strong Opportunity Fund	stock
Strong Total Return Fund	balanced

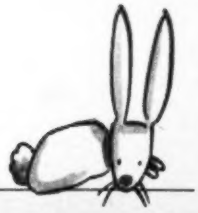
Fund distributor	Type of fund
Tenneco Asset Planning Co 1100 Milam Suite 3500 Houston, TX 77002 713-757-2222 (local) 800-262-6686 (out of state) Exchange privilege: Yes	
Cashman Farrell Value Fund	stock
Fund of the Southwest	stock
Investors Income Fund	bond & preferred
PBHG Growth Fund	stock
US Trend Fund	stock
Thomson McKinnon Asset Management 1 New York Plaza New York, NY 10004 212-482-5894 (local) 800-628-1237 (out of state) Exchange privilege: Yes	
Thomson McKinnon Growth Fund	stock
Thomson McKinnon Income Fund	bond & preferred
Thomson McKinnon Opportunity Fund	stock
Thomson McKinnon Tax-Exempt Fund	municipal bond
Thomson McKinnon US Government Fund	bond & preferred
Thornburg Management 123 East Macy Street Suite 202 Santa Fe, NM 87501 505-984-0200 (local) 800-847-0200 (out of state) Exchange privilege: No	
Limited Term Municipal Fund	municipal bond
Transamerica Investment Services PO Box 2438 Los Angeles, CA 90051 213-742-2222* (local) 800-343-6840 (out of state) Exchange privilege: No	
Transamerica Cash Reserve	money market
Transatlantic Fund 100 Wall Street New York, NY 10005 212-747-0440 (local) 800-233-9164 (out of state) Exchange privilege: No	
Transatlantic Fund	foreign
Trusteed Funds 1 Winthrop Square Boston, MA 02110 800-462-1199 (local) 800-343-2902 (out of state) Exchange privilege: Yes	
Commonwealth Indenture of Trust Plan C	stock
Commonwealth Indenture of Trust Plans A&B	stock
GPM Fund	balanced
Tucker Anthony & RL Day 1 Beacon Street Boston, MA 02108 800-392-6037 (local) 800-225-6258 (out of state) Exchange privilege: Yes	
Freedom Gold & Government Fund	stock
Freedom Government Plus Fund	bond & preferred
Freedom Regional Bank Fund	stock
Tucker Anthony Cash Mgmt Fund	money market
Tucker Anthony Govt Secs Fund	money market
Tucker Anthony Tax-Exempt Money	money market

*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Twentieth Century Investors 605 West 47th Street Kansas City, MO 64112 816-531-5575 (local) 800-345-2021 (all states) Exchange privilege: Yes	
Twentieth Century Cash Reserve	money market
Twentieth Century Giftrust Investors	stock
Twentieth Century Growth Investors	stock
Twentieth Century Select Investors	stock
Twentieth Century Ultra Investors	stock
Twentieth Century US Govt Investors	bond & preferred
Twentieth Century Vista Investors	stock
Unified Management Corp 600 Guaranty Building Indianapolis, IN 46204 317-634-3300 (local) 800-862-7283 (out of state) Exchange privilege: Yes	
Liquid Green Trust	money market
Unified Growth Fund	stock
Unified Income Fund	balanced
Unified Municipal Fund-General	municipal bond
Unified Municipal Fund-Indiana	municipal bond
Unified Mutual Shares Fund	stock
United Services Advisors PO Box 29467 San Antonio, TX 78229-0467 800-292-8181 (local) 800-824-4653 (out of state) Exchange privilege: Yes	
United Services-Gold Shares Fund	stock
United Services-Good & Bad Times Fund	stock
United Services-Growth Fund	stock
United Services-New Prospector Fund	stock
United Services-Prospector Fund	stock
United Services-US Treasury Secs	money market
Universal Programs 110 Wall Street New York, NY 10005 212-668-8111 (local) 800-221-5588 (out of state) Exchange privilege: Yes	
Eagle Growth Shares	stock
Philadelphia Fund	stock
US Boston Investment 6 New England Executive Park Burlington, MA 01803 617-272-6420 (local) Exchange privilege: Yes	
US Boston Investment-Boston I	stock

Fund distributor	Type of fund
USAA Transfer Services 9800 Fredricksburg Road San Antonio, TX 78288 512-498-7270 (local) 800-531-8181 (out of state) Exchange privilege: Yes	
USAA Investment Trust-Cornerstone Fund	stock
USAA Investment Trust-Gold Fund	stock
USAA Mutual-Growth Fund	stock
USAA Mutual-Income Fund	bond & preferred
USAA Mutual-MM Fund	money market
USAA Mutual-Sunbelt Era Fund	stock
USAA Tax Exempt Fund-High Yield	municipal bond
USAA Tax Exempt Fund-Intermediate-Term	municipal bond
USAA Tax Exempt Fund-Money Market	money market
USAA Tax Exempt Fund-Short-Term	municipal bond
Valley Forge Fund PO Box 262 Valley Forge, PA 19481 215-688-6839 (local) (out of state) Exchange privilege: No	
Valley Forge Fund	stock
Value Line Securities 711 Third Avenue New York, NY 10017 800-223-0818 (local) 800-223-0818 (out of state) Exchange privilege: Yes	
Value Line Aggressive Income Trust	bond & preferred
Value Line Cash Fund	money market
Value Line Convertible Fund	stock
Value Line Fund	stock
Value Line Income Fund	stock
Value Line Leveraged Growth Investors	stock
Value Line Special Situations Fund	stock
Value Line Tax Exempt Fund-High Yield	municipal bond
Value Line US Government Secs Fund	bond & preferred
Van Eck Securities Corp 122 East 42nd Street New York, NY 10168 212-687-5200 (local) 800-221-2220 (out of state) Exchange privilege: Yes	
Gold/Resources Fund	stock
International Investors	foreign
World Trends Fund	balanced
Van Kampen Merritt 2 Penn Center Plaza Suite 1600 Philadelphia, PA 19102 312-719-6000 (local) 800-225-2222 (out of state) Exchange privilege: Yes	
Van Kampen Merritt Calif Insured T-F	municipal bond
Van Kampen Merritt Insured Tax Free	municipal bond
Van Kampen Merritt T-F High Income	municipal bond
Van Kampen Merritt US Govt Fund	bond & preferred



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*Will accept collect calls.

1986 Fund Ratings

Fund distributor	Type of fund
Vanguard Group of Investment Cos Vanguard Financial Center Valley Forge, PA 19482 800-662-7447 (all states) Exchange privilege: Yes	
Vanguard California Insured Tax-Free	municipal bond
Vanguard Explorer Fund	stock
Vanguard Explorer Fund II	stock
Vanguard Fixed Income Secs-GNMA	bond & preferred
Vanguard Fixed Income Secs-High Yield	bond & preferred
Vanguard Fixed Income Secs-Invest Grade	bond & preferred
Vanguard Fixed Income Secs-Short Term	bond & preferred
Vanguard Gemini II Capital	dual purpose
Vanguard Gemini II Income	dual purpose
Vanguard Index Trust	stock
Vanguard MM Reserves-Federal	money market
Vanguard MM Reserves-Insured	money market
Vanguard MM Reserves-Prime	money market
Vanguard WL Morgan Growth Fund	stock
Vanguard Muni Bond-High Yield	municipal bond
Vanguard Muni Bond-Insured Long-Term	municipal bond
Vanguard Muni Bond-Intermediate-Term	municipal bond
Vanguard Muni Bond-Long-Term	municipal bond
Vanguard Muni Bond-MM	money market
Vanguard Muni Bond-Short-Term	municipal bond
Vanguard Naess & Thomas Special Fund	stock
Vanguard New York Insured Tax-Free	municipal bond
Vanguard Pennsylvania Insured Tax-Free	municipal bond
Vanguard PrimeCap Fund	stock
Vanguard Qualified Dividend I	stock
Vanguard Qualified Dividend II	bond & preferred
Vanguard Qualified Dividend III	bond & preferred
Vanguard Specialized-Energy	stock
Vanguard Specialized-Gold & Prec Metals	stock
Vanguard Specialized-Health Care	stock
Vanguard Specialized-Service Economy	stock
Vanguard Specialized-Technology	stock
Vanguard Star Fund	balanced
Vanguard Trustees' Commingled-Intl	stock
Vanguard Trustees' Commingled-US	stock
Vanguard Wellesley Income Fund	balanced
Vanguard Wellington Fund	balanced
Vanguard Windsor Fund	stock
Vanguard Windsor II	stock
Vanguard World Fund-International Growth	foreign
Vanguard World Fund-US Growth	stock
Variable Stock Fund 1 Financial Plaza Springfield, MA 01550 413-781-3000 (local) Exchange privilege: No	
Variable Stock Fund	stock
Venture Advisers PO Box 1688 Santa Fe, NM 87504-1688 505-983-4335 (local) 800-545-2098 (out of state) Exchange privilege: Yes	
New York Venture Fund	stock
RPF of America-Bond Fund	bond & preferred
RPF of America-Equity Fund	stock
Venture Income (+) Plus	bond & preferred
Venture Muni (+) Plus	municipal bond
Voyager Asset Management 100 South 5th Street Minneapolis, MN 55402 800-652-0204 (local) 800-328-4085 (out of state) Exchange privilege: No	
Double Exempt Capital Conservation Fund	municipal bond
Double Exempt Flex Fund	municipal bond
Waddell & Reed PO Box 418343 Kansas City, MO 64141-9343 816-283-4000 (local) 800-821-5664 (out of state) Exchange privilege: Yes	
United Accumulative Fund	stock
United Bond Fund	bond & preferred
United Cash Management	money market
United Continental Income Fund	balanced
United Gold & Government Fund	balanced
United Government Secs Fund	bond & preferred
United High Income Fund	bond & preferred
United Income Fund	stock
United International Growth Fund	stock
United Municipal Bond Fund	municipal bond
United Municipal High Income Fund	municipal bond
United New Concepts Fund	stock
United Science & Energy Fund	stock
United Vanguard Fund	stock
Wall Street Management Corp 641 Lexington Avenue New York, NY 10022 212-319-9400* (local) Exchange privilege: No	
Wall Street Fund	stock
Weiss, Peck & Greer One New York Plaza New York, NY 10004 212-908-9582 (local) 800-223-3332 (out of state) Exchange privilege: Yes	
Tudor Fund	stock
WPG Fund	stock
WPG Growth Fund	stock
MJ Whitman 171 Madison Avenue New York, NY 10016 212-683-7141 (local) Exchange privilege: No	
Equity Strategies Fund	stock
Working Assets Money Fund 230 California Street San Francisco, CA 94111 415-989-3200* (local) 800-543-8800 (out of state) Exchange privilege: No	
Working Assets Money Fund	money market
Yes Fund 2151 East D Street – 202C Ontario, CA 91764 800-521-5612 (local) 800-972-3863 (out of state) Exchange privilege: No	
Yes Fund	bond & preferred
BC Ziegler & Co 215 North Main Street West Bend, WI 53095 414-334-5521 (local) 800-558-1776 (out of state) Exchange privilege: Yes	
Principal Preservation-Government Plus	bond & preferred
Principal Preservation-S&P 100 Plus	stock
Principal Preservation-Tax-Exempt Fund	municipal bond

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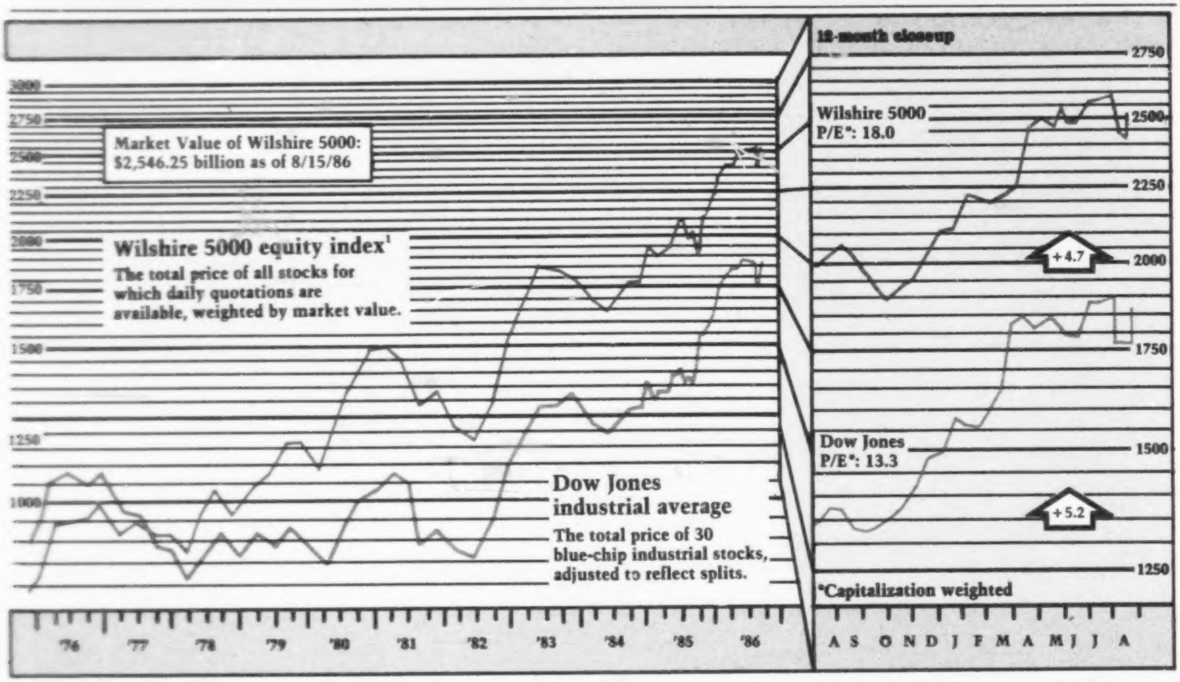
The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Preparing for a rematch. After a dismal performance in most of July the market has quietly gotten its act back together. During the midsummer correction the Dow dropped 145 points while the market value of the Wilshire index slipped nearly $189 billion in just four weeks. But the market has quietly recovered almost half the ground that it lost and may be ready for another shot at the top. Blue-chip stocks have been leading the comeback. The Dow gained 5.2% in the last two weeks, while Amex and Nasdaq shares posted respective gains of 4% and 2.6%.

With share prices on the mend, the Wilshire index is back up to a multiple of 18 times latest 12-month earnings. The current P/E for the Forbes Sales 500 is 16.6, while the P/E on the Dow industrials is 13.3. Looking on the bright side, the Forbes Sales 500, despite plenty of cuts in earnings estimates, is priced at only 11.4 times estimated earnings in 1987. Such rosy forecasts can help sustain the bull market.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
In last 4 weeks	3.5	4.3	4.4	4.3	1.4	–0.2
in last 52 weeks	30.8	28.2	41.4	31.8	17.1	28.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[3]		P/E multiple		Dividend yield		Growth profile[4]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	4.6	–0.6	1.1	2.9	0.1	0.8	2.3	–0.3	2.2	2.8	2.7	–1.5
in last 52 weeks	32.8	39.6	59.3	35.2	21.4	37.6	28.5	40.3	54.0	42.5	44.5	24.0

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created.
[2] Based on sales.
[3] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[4] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

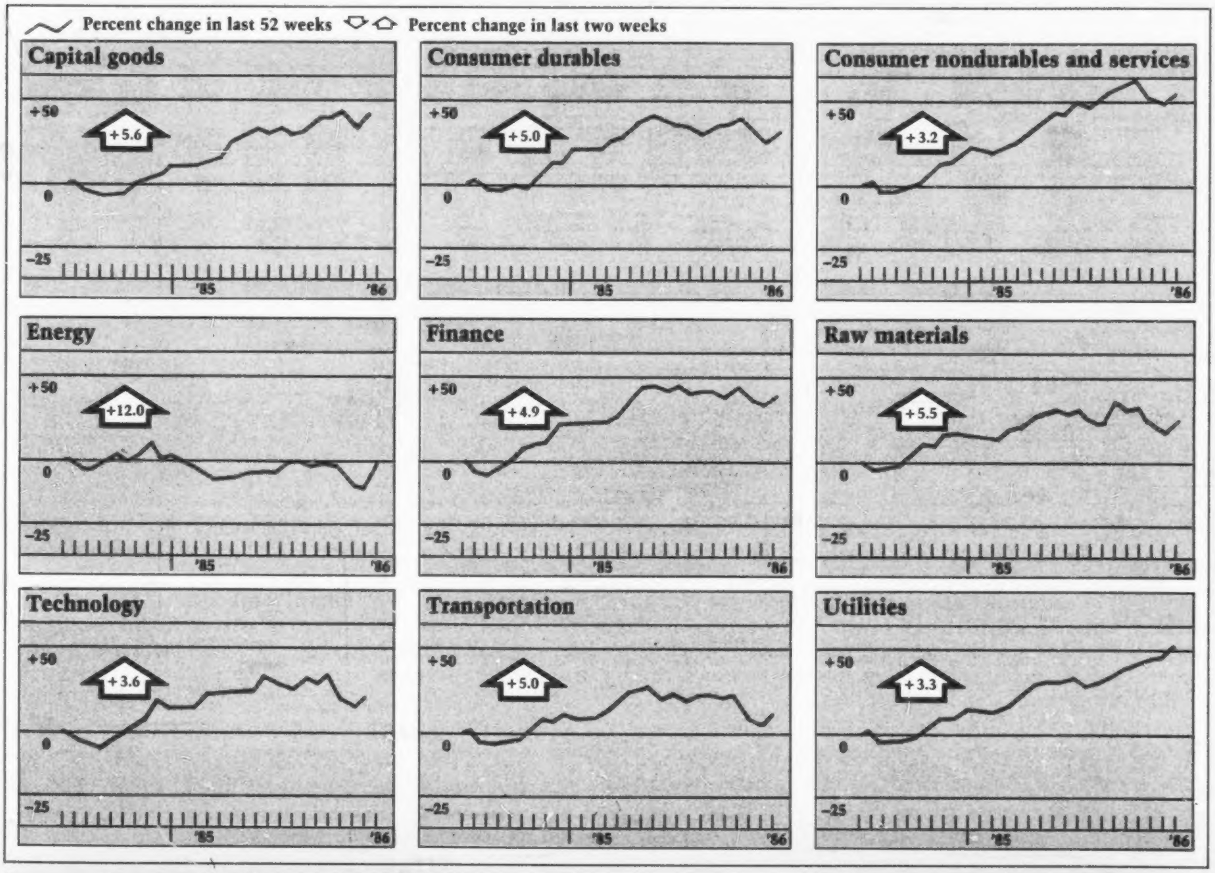
Note: All data for periods ending 8/15/86. Prepared by Wilshire Associates, Santa Monica, Calif.

Gay French

Where The Action Is

Wall Street strikes oil! Energy stocks shot up 12% in the last two weeks amid rebounding oil prices and signs that OPEC may be serious about achieving production quotas. The world may not be returning to $30-a-barrel oil anytime soon, but investors were optimistic that the oil business had touched bottom. Exxon, Mobil and Royal Dutch each hit 52-week highs.

While energy was the clear performance leader, five other Wilshire sectors also posted handsome gains. Capital goods, raw materials, consumer durables, transportation and finance shares all outperformed the 4.7% two-week advance in the Wilshire index. Ex-Cell-O, subject of an acquisition offer from Textron, led the capital goods sector with a 50% increase.



What The Analysts Think

On the wrong track. In the last two weeks analysts cut back their 1986 earnings estimates for transportation shares by 4.9%. Forecasts for two railroads, Soo Line and Burlington Northern, were reduced by 43% and 31%, respectively. Several airlines—Continental, TWA, UAL and NWA—received less severe downward revisions.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.74	16.6
1986 estimates	3.40	13.4
1987 estimates	3.99	11.4

Rank based on change in estimate	Sector	Estimated 1986 EPS	Estimated 1986 P/E	% change in 1986 estimate in 2 weeks	% change in 1986 estimate in 4 weeks
1	Consumer nondurables	$2.16	17.2	–0.03%	–0.27%
2	Utilities	3.30	10.9	–0.29	–0.47
3	Technology	2.53	14.5	–0.61	–2.93
4	Consumer durables	3.90	9.9	–0.72	–1.09
5	Raw materials	1.83	16.4	–0.96	–1.15
6	Energy	2.19	13.8	–1.49	–2.24
7	Finance	3.25	11.5	–1.59	–2.55
8	Capital goods	2.51	15.4	–1.91	–2.97
9	Transportation	1.64	16.4	–4.85	–8.72

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/15/86. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.